



STATE OF UTAH CONTRACT

1. CONTRACTING PARTIES: This contract is between the following Agency of the State of Utah:

Department of Transportation
Agency Name
CONTRACTOR
Name
Address
City
State
Contact Person
Federal ID#
810
Agency Code
Carlyle Capital Markets Inc.
14755 Preston Road, Suite 424
Dallas
Texas
Jenny Robbins
751832984
93644A
Vendor Number
Aeronautics
Division
75240
Zip Code
(800) 356-9342
Phone Number
97511000000
Commodity Code(s)

referred to as STATE and the following:

LEGAL STATUS OF CONTRACTOR
Sole Proprietor
Non-Profit Corporation
X For-Profit Corporation
Partnership
Government Agency

2. GENERAL PURPOSE OF CONTRACT:

Provide Funds for Lease of 2000 King Air B200 Aircraft

3. PROCUREMENT: This contract is entered into as a result of the Procurement process on bid # RM1001
Requisition # 810 16000000001, FY 2001, or the attached pre-approved sole source.

4. CONTRACT PERIOD: Effective date 08/01/00. Termination date 07/31/07, unless terminated early or extended in accordance with the terms of this contract. Renewal Options (if any) None.

5. CONTRACT COSTS: CONTRACTOR will be paid a maximum of \$2,015,108.76 for costs authorized by this contract

6. ATTACHMENT A: Division of Purchasing's Standard Terms and Conditions.
ATTACHMENT B: Lease Agreement.

Any conflicts between Attachment A and other Attachments will be resolved in favor of Attachment A.

7. DOCUMENTS INCORPORATED INTO THIS CONTRACT BY REFERENCE BUT NOT ATTACHED:

- A. All other governmental laws, regulations or actions applicable to the goods and/or services authorized by this Contract.
B. Utah State Procurement Code, Procurement Rules and Contractor's responses to Bid # RM10001 dated 07/13/00.

IN WITNESS WHEREOF, the parties sign and cause this contract to be executed:

CONTRACTOR
Contractor's Signature Barry L. Friedman

CARLYLE CAPITAL MARKETS INC.
Contractor's Name

President

Title

STATE OF UTAH
Neal Christensen, Admin. Services Director
Director, Division of Purchasing 8/4/2000

CONTRACT RECEIVED AND
PROCESSED BY
DIRECTOR, DIVISION OF FINANCE

The DOF will enter this contract on FI-NET prior to final review by Finance and Purchasing. While the review is pending a copy of this contract form with the number will be faxed to your agency.

Gary Blackwelder
Person to Receive Faxed Copy
965-4073
Fax Number

APR 26 2005
ENT'D FEB 23 2005

ATTACHMENT A: STANDARD TERMS AND CONDITIONS

1. **AUTHORITY:** Provisions of this contract are pursuant to the authority set forth in 63-56, Utah Code Annotated, 1953, as amended, Utah State Procurement Rules (Utah Administrative Code Section R33), and related statutes which permit the STATE to purchase certain specified services, and other approved purchases for the STATE.
2. **CONTRACT JURISDICTION, CHOICE OF LAW, AND VENUE:** The provisions of this contract shall be governed by the laws of the State of Utah. The parties will submit to the jurisdiction of the courts of the State of Utah for any dispute arising out of this Contract or the breach thereof. Venue shall be in Salt Lake City, in the Third Judicial District Court for Salt Lake County.
3. **RECORDS ADMINISTRATION:** The CONTRACTOR shall maintain, or supervise the maintenance of all records necessary to properly account for the payments made to the CONTRACTOR for costs authorized by this contract. These records shall be retained by the CONTRACTOR for at least four years after the contract terminates, or until all audits initiated within the four years, have been completed, whichever is later.
4. **AUDIT OF RECORDS:** The CONTRACTOR agrees to allow STATE and Federal auditors, and STATE Agency Staff, access to all the records to this contract, for audit and inspection, and monitoring of services. Such access will be during normal business hours, or by appointment.
5. **CONFLICT OF INTEREST:** CONTRACTOR represents that none of its officers or employees are officers or employees of the State of Utah, unless disclosure has been made in accordance with 67-16-8, Utah Code Annotated, 1953, as amended.
6. **CONTRACTOR, AN INDEPENDENT CONTRACTOR:** The CONTRACTOR shall be an independent contractor, and as such, shall have no authorization, express or implied, to bind the STATE to any agreements, settlements, liability, or understanding whatsoever, and agrees not to perform any acts as agent for the STATE, except as herein expressly set forth. Compensation stated herein shall be the total amount payable to the CONTRACTOR by the STATE. The CONTRACTOR shall be responsible for the payment of all income tax and social security amounts due as a result of payments received from the STATE for these contract services. Persons employed by the STATE and acting under the direction of the STATE shall not be deemed to be employees or agents of the CONTRACTOR.
7. **INDEMNITY CLAUSE:** The CONTRACTOR agrees to indemnify, save harmless, and release the STATE OF UTAH, and all its officers, agents, volunteers, and employees from and against any and all loss, damages, injury, liability, suits, and proceedings arising out of the performance of this contract which are caused in whole or in part by the negligence of the CONTRACTOR'S officers, agents, volunteers, or employees, but not for claims arising from the State's sole negligence.
8. **EQUAL OPPORTUNITY CLAUSE:** The CONTRACTOR agrees to abide by the provisions of Title VI and VII of the Civil Rights Act of 1964 (42USC 2000e) which prohibits discrimination against any employee or applicant for employment or any applicant or recipient of services, on the basis of race, religion, color, or national origin; and further agrees to abide by Executive Order No. 11246, as amended, which prohibits discrimination on the basis of sex; 45 CFR 90 which prohibits discrimination on the basis of age; and Section 504 of the Rehabilitation Act of 1973, or the Americans with Disabilities Act of 1990 which prohibits discrimination on the basis of disabilities. Also, the CONTRACTOR agrees to abide by Utah's Executive Order, dated March 17, 1993, which prohibits sexual harassment in the work place.
9. **SEPARABILITY CLAUSE:** A declaration by any court, or any other binding legal source, that any provision of this contract is illegal and void shall not affect the legality and enforceability of any other provision of this contract, unless the provisions are mutually dependent.
10. **RENEGOTIATION OR MODIFICATIONS:** This contract may be amended, modified, or supplemented only by written amendment to the contract, executed by the parties hereto, and attached to the original signed copy of the contract.
11. **DEBARMENT:** The CONTRACTOR certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction (contract), by any governmental department or agency. If the CONTRACTOR cannot certify this statement, attach a written explanation for review by the STATE.
12. **TERMINATION:** Unless otherwise stated in the Special Terms and Conditions, this contract may be terminated, with cause by either party, in advance of the specified termination date, upon written notice being given by the other party. The party in violation will be given ten (10) working days after notification to correct and cease the violations, after which the contract may be terminated for cause. This contract may be terminated without cause, in advance of the specified expiration date, by either party, upon 90 days prior written notice being given the other party. On termination of this contract, all accounts and payments will be processed according to the financial arrangements set forth herein for approved services rendered to date of termination.
13. **SALES TAX EXEMPTION:** The State of Utah's sales and use tax exemption number is E33399. The tangible personal property or services being purchased are being paid from State funds and used in the exercise of that entity's essential functions. If the items being purchased are construction materials, they will be converted into real property by employees of this government entity, unless otherwise stated in the contract.
14. **WARRANTY:** The contractor agrees to warrant and assume responsibility for all products (including hardware, firmware, and/or software products) that it licenses, contracts, or sells to the State of Utah under this contract for a period of one year, unless otherwise specified and mutually agreed upon elsewhere in this contract. The contractor (seller) acknowledges that all warranties granted to the buyer by the Uniform Commercial Code of the State of Utah apply to this contract. Product liability disclaimers and/or warranty disclaimers from the seller are not applicable to this contract unless otherwise specified and mutually agreed upon elsewhere in this contract. In general, the contractor warrants that: (1) the product will do what the salesperson said it would do, (2) the product will live up to all specific claims that the manufacturer makes in their advertisements, (3) the product will be suitable for the ordinary purposes for which such product is used, (4) the product will be suitable for any special purposes that the State has relied on the contractor's skill or judgement to consider when it advised the State about the product, (5) the product has been properly designed and manufactured, and (6) the product is free of significant defects or unusual problems about which the State has not been warned. Remedies available to the State include the following: The contractor will repair or replace (at no charge to the State) the product whose nonconformance is discovered and made known to the contractor in writing. If the repaired and/or replaced product proves to be inadequate, or fails of its essential purpose, the contractor will refund the full amount of any payments that have been made. Nothing in this warranty will be construed to limit any rights or remedies the State of Utah may otherwise have under this contract.

ATTACHMENT B

LEASE PURCHASE AGREEMENT

THIS LEASE PURCHASE AGREEMENT (this "Lease"), CCMI No. 00.3516EQ, dated as of August 7, 2000, between **Carlyle Capital Markets Inc.**, a corporation duly organized and existing under the laws of the State of Texas (the "Lessor"), and the State of Utah (the "Lessee"), acting by and through its Division of Aeronautics:

RECITALS

WHEREAS, the Lessor desires to lease the Aircraft (as hereinafter defined) to the Lessee, and the Lessee desires to lease the Aircraft from the Lessor, pursuant to the terms and conditions hereinafter set forth; and

WHEREAS, the Division of Aeronautics has been legislatively authorized to enter into this Lease for the purposes set forth herein, for and on behalf of the State of Utah (the "State"); and

WHEREAS, the Lessor and the Lessee hereby intend that, for purposes of federal and state income tax, the Lessor's interest in the Aircraft is as a secured party and the Lessee's interest is as debtor, and that the Lessor has no equity in the Aircraft; and

NOW, THEREFORE, in consideration of the premises, the mutual covenants and provisions contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Lessor and the Lessee agree as follows:

ARTICLE I DEFINITIONS

For purposes of this Lease and related documents, the following definitions will apply:

"Acquisition Contract" means the one or more purchase orders or contracts issued or entered into by the Lessee with respect to the acquisition and delivery of the Aircraft.

"Acquisition Fund" means the fund described in Section 3.02 hereof.

"Aircraft" means the property described on Exhibit A that is now or may hereafter from time to time become attached hereto and incorporated herein by reference, together with any and all additions, modifications, attachments, replacements and parts thereof.

"Aircraft Costs" means the net purchase price payable to the respective Vendor(s) under the Acquisition Contracts.

“Certificates” mean the \$1,701,085 Privately-Placed Certificates of Participation evidencing proportionate interests in Lease Payments to be made pursuant to this Lease, which will be authenticated and delivered by the Trustee pursuant to the Trust Agreement, the proceeds of which will be utilized to fund the Acquisition Fund and to pay costs associated with the delivery of the Certificates.

“Closing” means the date of the initial delivery and funding of this Lease.

“Code” means the Internal Revenue Code of 1986, as amended, together with all regulations, published rulings, and court decisions with respect thereto.

“Event of Default” means any one or more of the occurrences described in **Section 5.01** of this Lease.

“Exhibits” means the Exhibits attached hereto, which include the following:

Exhibit A	Aircraft Description
Exhibit B	Lease Payment Schedule
Exhibit C	Statement of Essential Use
Exhibit D	Form of Disbursement Request
Exhibit E	Sample Form of Opinion of Counsel to the Lessee
Exhibit F	Form of Closing Certificate of the Lessee
Exhibit G	Form of Tax and Arbitrage Certificate
Exhibit H	Form of Termination of Aircraft Lease

“Fiscal Year” means with respect to the Lessee the twelve-month period commencing on July 1 of each year and ending on June 30 of the next year, or any other twelve-month period adopted as the fiscal year of the Lessee and of which the Lessee shall give the Lessor notice in writing.

“Laws” or **“laws”** means federal, state, and local laws, rules and regulations, and orders of any court or other governmental authority having jurisdiction.

“Lease” means this Lease Purchase Agreement by and between the Lessee and the Lessor, including the Exhibits attached hereto, as the same may be supplemented or amended from time to time in accordance with the terms hereof.

“Lease Payment Deposit” means one or more of the periodic (monthly, quarterly, semi-annual or otherwise) deposits made by the Lessee pursuant to **Section 3.03** hereof, and at the times and in the amounts set forth in **Exhibit B** hereto.

“Lease Payments” means the Lease Payments to be made by the Lessee to the Lessor or its assigns during the Lease Term pursuant to **Section 3.03** hereof, and at the times and in the amounts set forth in **Exhibit B** attached hereto, which Lease Payments are payable in consideration of the

Lessee's use of the Aircraft during the then current portion of the Lease Term and in consideration of the Lessee's obligations under this Lease, which shall be equal to the sum of (i) the Lease Payment Deposits and (ii) the interest earnings thereon.

"Lease Term" means the term of this Lease as described in **Section 3.05** hereof.

"Lessee" means the State of Utah, acting by and through its Division of Aeronautics, duly organized and existing under the Constitution and laws of the State, and its successors and permitted assigns.

"Lessor" means (i) Carlyle Capital Markets Inc., acting as the lessor hereunder; (ii) any surviving, resulting or transferee corporation; and (iii) except where the context requires otherwise, any assignee of the Lessor.

"Net Proceeds" means the amount remaining from the gross proceeds of any insurance claim or condemnation award after deducting all expenses (including attorney's fees) incurred in the collection of such claim or award.

"Prepayment Price" means, as of any given date, the amount the Lessee must pay on such date to satisfy its obligations in full under this Lease, as set forth in Exhibit B hereto.

"State" means the State of Utah.

"Trust Agreement" means the certain Trust Agreement, dated as of August 7, 2000, between the Lessor, as the trustor, and the Trustee, pursuant to which the Certificates will be executed and delivered.

"Trustee" means First Tennessee Bank National Association, Memphis, Tennessee, or any successor trustee appointed in accordance with the terms of the Trust Agreement.

"Vendor" means any manufacturer of the Aircraft as well as the agents or dealers of the manufacturer from whom the Aircraft was originally purchased or is being purchased.

ARTICLE II WARRANTIES AND COVENANTS OF THE LESSEE

The Lessee represents, covenants and warrants for the benefit of the Lessor and its assigns as follows:

(a) The Lessee is authorized under the Constitution and laws of the State to enter into this Lease and all documents executed in connection herewith (this Lease together with all such documents being collectively referred to herein as the "Lease Documents") and the transactions contemplated hereby and thereby and to perform all of its obligations hereunder and thereunder.

(b) The Lessee has been duly authorized to execute and deliver the Lease Documents and further represents, covenants and warrants that all requirements have been met, actions have been taken and procedures have been followed in order to ensure the validity and enforceability of the Lease Documents executed by the Lessee.

(c) The Lessee, to the extent required of it, has complied with all applicable laws and regulations of the State and of the United States with respect to the Lease Documents.

(d) During the Lease Term, the Aircraft will be used by the Lessee only for the purpose of performing one or more essential governmental functions of the Lessee consistent with the permissible scope of the Lessee's authority and within the scope of authorized public purposes.

(e) The execution, delivery and performance of the Lease Documents by the Lessee and the transactions contemplated therein will not violate any judgment, order, law or regulation applicable to the Lessee or result in any breach of, or constitute a default under, any indenture, mortgage, deed of trust, bond, loan or credit agreement, or other instrument to which the Lessee is a party or by which it is bound.

(f) There are no actions, suits or proceedings pending or, to the knowledge of the Lessee, threatened against, or affecting, the Lessee in any court or before any governmental commission, board or authority which, if adversely determined, will have a material adverse effect on the Lessee or the ability of the Lessee to perform its obligations under the Lease Documents or which question the legality, validity or enforceability hereof or of any of the transactions contemplated thereby.

(g) The Aircraft is essential for the operations of the Lessee in order to fulfill one or more of the Lessee's essential governmental functions. The useful life of the Aircraft is in excess of the term of this Lease. The Lessee is in immediate need of the Aircraft in order to perform such essential governmental functions.

(h) No event of default or non-appropriation has occurred in connection with any lease or installment financing of the Lessee.

(i) The Lessee reasonably believes that funds can be obtained sufficient to make all Lease Payments during the Lease Term. The Lessee's budget officer, subject to the Lessee's right of non-appropriation, will make provisions for the Lease Payments to the extent necessary in each budget submitted for the purpose of obtaining funding, using his or her bona fide best efforts to have such portion of the budget approved and exhausting all available administrative reviews and appeals in the event such portion of the budget is not approved. It is the Lessee's intent to pay the Lease Payments for the Lease Term if funds are legally available therefor and in that regard the Lessee represents that the use of the Aircraft is essential to its proper, efficient, and economic operation.

ARTICLE III LEASING, TERM, AND PAYMENTS

Section 3.01. Lease of the Aircraft. The Lessor hereby agrees to lease to the Lessee, and the Lessee hereby leases from the Lessor, for the Lease Term, or such later date as of which the Lease is deemed paid, the Aircraft, all upon the terms and conditions set forth herein

Section 3.02. Aircraft Cost; Acquisition Fund. (a) The total Aircraft Costs of the Aircraft acquired pursuant to the terms and conditions of this Lease shall not exceed \$1,688,385.

(b) In connection with this Lease, the Lessor will cause to be established with the Trustee, and pursuant to the terms of the Trust Agreement, an Acquisition Fund and, in satisfaction of its pecuniary obligations to the Lessee under this Lease, will deposit \$1,688,385 into such fund an amount will be sufficient to pay the Aircraft Costs and will use the funds as deposited therein to finance the acquisition of the Aircraft.

(c) Immediately following acceptance of all or any portion of the Aircraft, the Lessee will request that payment be made to the Vendor (or, if funds are being requested in reimbursement of funds previously expended by the Lessee, to the Lessee) by executing and delivering to the Lessor a Disbursement Request in the form attached hereto as **Exhibit D**, and, unless previously provided or clearly inapplicable, each of the documents referenced therein.

To the extent that funds on deposit in the Acquisition Fund are invested, any and all investment earnings thereon will be disbursed in accordance with the Trust Agreement.

If the Lessee does not request the disbursement of all funds in the Acquisition Fund within six (6) months of the date of the deposit made pursuant to this **Section 3.02**, the Lessee will (i) make the determinations required by this paragraph, (ii) establish a rebate account (the "Rebate Account"), (iii) deposit the rebate amount (the "Rebate Amount") required under the Code to be rebated to the United States, computed in accordance with the provisions of the Code and regulations promulgated thereunder into the Rebate Account no less frequently than once a year after the date of execution and delivery of this Lease, (v) rebate to the United States, not less frequently than once every five years after the date of this Lease, an amount equal to at least 90 percent of the Rebate Amount and within 60 days after payment of all Lease Payments or the Prepayment Price, 100 percent of the Rebate Amount, as required by the Code and any regulations promulgated thereunder, and (vi) otherwise will fully comply with the provisions of the Code in connection with the determination and payment of the Rebate Amount. The Lessor and the Trustee shall have no responsibilities or liabilities in connection therewith.

The Lessee shall determine the Rebate Amount at least every year and upon payment of all Lease Payments or the Prepayment Price, and shall file such determination, together with supporting documentation required to calculate or evidence the Rebate Amount, in the office of the Lessee. The Lessee shall retain records of such determinations until six years after the final payment of the Lease

Payments. Upon each such determination, the Lessee shall set aside or cause its agent to set aside the Rebate Amount so determined, and shall separately account for the earnings from the investment thereof, and such earnings shall become part of the Rebate Account.

Section 3.03. Lease Payments. The Lease Payments are payable without notice or demand at the office of the Lessor (or such other places the Lessor or its assignee may from time to time designate in writing). The Lessee shall pay Lease Payments in lawful money of the United States of America to the Lessor in the amounts and on the dates as set forth in **Exhibit B** hereto.

All Lease Payment Deposits shall be invested in accordance with the Trust Agreement. The Lease Payments Deposits, together with the investment earnings thereon, if any, shall constitute the Lease Payments. The Trustee will distribute the Lease Payments with respect to the Certificates. The proceeds of sale of the Certificates were or are to be used to finance the acquisition of the Aircraft.

Each Lease Payment comprises an interest component and a principal component, as set forth on **Exhibit B** hereto. The earnings on investment of Lease Payment Deposits will constitute a portion of the interest component of the corresponding Lease Payment. All such earnings on the investment of Lease Payment Deposits are hereby obligated to the corresponding Lease Payments. If the Lease Payment Deposits plus the earnings on the investment thereof are insufficient to make any Distribution (as defined in the Trust Agreement) when due, the Lessee shall promptly pay to the Trustee an amount sufficient to allow the Trustee to make such Distribution when due.

To the extent that the Lease Payment Deposits and the interest earnings derived thereon, as received by the Trustee, exceed the amount required to make the next scheduled Lease Payment, any remaining excess shall be applied by the Trustee as a credit to the payment of Lease Payment Deposits. In the event any Lease Payment Deposit paid by the Lessee on any date is less than the Lease Payment Deposit due on such date, such Lease Payment Deposit shall be credited against the interest component of the Lease Payment Deposit then due, and the balance, if any, shall be credited against the principal component of such Lease Payment Deposit. In the event that any Lease Payment Deposit to be paid by the Lessee is not timely made, then pursuant to **Section 3.04** hereof, the Lessee will pay interest on the amount of such late Lease Payment Deposit. Such late payment interest will be used to make up any deficiency in the Lease Payments.

Section 3.04. Late Charges. Should the Lessee fail to timely pay any part of any Lease Payment or any other sum required to be paid to the Lessor or its assigns, including without limitation the Trustee, the Lease Payment so in default shall continue as an obligation of the Lessee until it shall have been fully paid. The Lessee agrees to pay interest on such delinquent payment from the due date thereof until paid, at a negotiated percentage rate.

Section 3.05. Lease Term; Termination. Unless terminated as expressly provided in any other provision of this Lease, the term of this Lease will commence as of the date hereof, and will

continue until payment of the final Lease Payment set forth in **Exhibit B** hereto. This Lease shall terminate upon the date on which one or more of the following events shall occur:

- (a) the payment of all Lease Payments and other amounts required to be paid hereunder; or
- (b) the election of Lessor or its assigns to terminate this Lease under **Section 5.02** following an Event of Default; or
- (c) the exercise by the Lessee of its option to prepay its obligations hereunder pursuant to **Section 3.09** hereof; or
- (d) the nonappropriation of funds and termination of this Lease pursuant to **Section 3.08** hereof.

Section 3.06. Current Expense. All obligations of the Lessee to make payments under this Lease (including, without limitation, the obligation to pay Lease Payment Deposits) are payable solely from funds appropriated for such purpose, subject to the availability of such appropriated funds. The Lessee acknowledges and agrees that the obligation of the Lessee under this Lease shall constitute a current expense of the Lessee and that such obligation shall not in any manner be construed to be a debt of the Lessee in contravention of any constitutional or statutory limitation or requirement concerning indebtedness of the Lessee and nothing herein contained shall constitute a pledge or encumbrance upon any tax or other revenues of the Lessee.

Section 3.07. Lease Payments to be Unconditional. Subject to the provisions of **Section 3.08** of this Lease, the obligation of the Lessee to pay the Lease Payments required under this Article III and to perform and observe the other covenants and agreements contained herein shall be absolute and unconditional in all events except as expressly provided under this Lease. Notwithstanding any dispute between the Lessee and the Lessor, any Vendor or other person, or any defects, breakdowns or malfunctions in the Aircraft, Lessee shall pay all Lease Payments when due and shall not withhold any Lease Payments or assert any right of set-off or counterclaim against its obligation to make any payments under this Lease. Lessee's obligation to make Lease Payments shall not be abated through accident or unforeseen circumstances.

Nothing in this **Section 3.07** shall preclude a separate action by the Lessee, to the extent permitted by applicable law, with respect to any claim against the Lessor arising hereunder.

Section 3.08. Nonappropriation. In the event that during any fiscal year of the Lessee sufficient funds are not appropriated for the payment of all Lease Payments required to be paid hereunder during the Lessee's next succeeding fiscal year, then the Lessee may terminate this Lease as of the end of its then current Fiscal Year and shall not be obligated to pay the Lease Payments beyond such Fiscal Year. The Lessee agrees to give the Lessor written notice of such termination at least sixty (60) days prior to the end of the then current fiscal year or, if nonappropriation has not

occurred by that date, immediately upon nonappropriation. If this Lease is terminated pursuant to this **Section 3.08**, the Lessee agrees to peaceably deliver the Aircraft to the Lessor, at the Lessee's sole cost and expense, together with such documents and assurances as the Lessor may reasonably request.

Section 3.09. Prepayment Option. Upon forty-five (45) days' prior written notice from the Lessee to the Lessor, and provided that there is then existing no Event of Default, or an event which with notice or lapse of time, or both, could become an Event of Default, Lessee shall have the option to prepay all, but not less than all, of the Aircraft by paying the Lease Payment Deposit and the Prepayment Price set forth on Exhibit B hereto with respect to each Prepayment Option Date as set forth on Exhibit B hereof.

Section 3.10. Release of the Aircraft. In consideration of the timely payment of all of the Lease Payments and all other amounts to be paid hereunder, and provided that the Lessee has performed all the covenants and agreements required of it to be performed hereby, and further provided that the Lessee has the right to terminate the Lease in accordance with **Sections 3.05(a) or (c)** hereof, the Lessor shall cause the Trustee to release the Aircraft from the lien of the Trust Agreement. The Lessee may then exercise its rights of termination under **Section 3.05** hereof. Upon such termination, all rights of the Lessor or any other person or entity, except the Lessee, in and to the Aircraft shall cease and the Lessor shall, without further consideration, execute and deliver to the Lessee appropriate instruments releasing any security interest that Lessor may have in the Aircraft.

ARTICLE IV COVENANTS AFFECTING THE AIRCRAFT

Section 4.01. Essential Public Purpose. The Lessee shall use the Aircraft for its essential public purposes and in furtherance of its governmental functions, but such restriction shall not preclude the Lessee from permitting the use of the Aircraft by others for public purposes in furtherance of any essential governmental functions of the Lessee or, to the extent permitted by law, private use for industrial, commercial or similar purposes; provided, however, that any such use of the Aircraft shall be subject to and in complete accordance with **Section 4.03** of this Lease.

Section 4.02. Provisions Regarding Insurance. During the Lease Term, the Lessee shall cause the Aircraft to be insured against loss or damage by fire, explosion, and other hazards customarily insured under extended coverage, in an amount not less than the greater of (i) its full replacement value or (ii) the Prepayment Price of the Aircraft as of such date, and maintain other insurance on its business and properties with respect to loss, damage, liability, and other claims of the kind customarily insured against by similarly situated governmental entities. All such insurance shall be of such types and in such amounts and with deductible provisions as are customarily carried under similar circumstances by such other governmental entities. All such insurance shall be carried with financially sound and reputable insurance companies. Each policy shall contain provisions that written notice of cancellation or substantial modification thereof shall be given to the Lessor and the

Trustee, at least thirty (30) days, or other greatest available period shorter than thirty (30) days, prior to such cancellation or modification. The Lessee may obtain blanket policies covering one or more risks if the minimum coverages required herein are met and the Aircraft is covered to its full insurable value.

The Lessee may self-insure the Aircraft through a program of self-insurance substantially meeting the requirements of the above paragraph. If there is a casualty covered by the Lessee's self-insurance, the Lessee shall either (i) contract for, and pay the costs of, the repair, restoration, modification, and improvement of the Aircraft, or (ii) pay the Prepayment Price, in accordance with **Section 3.09** hereof.

If, after delivery of the Aircraft to the Lessee (a) all or any part of the Aircraft is lost, stolen, destroyed or damaged beyond repair, or (b) title to, or the temporary use of, the Aircraft or any part thereof shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority, then, provided the Aircraft is not deemed to be a total loss, the Lessee and the Lessor shall cause the Net Proceeds of any insurance claim or condemnation award to be applied to the prompt replacement, repair or restoration of the Aircraft. Any balance of the Net Proceeds remaining after such work has been completed shall be paid to the Lessee. In the event of total destruction of or damage to the Aircraft, the Lessor and the Lessee shall cause the Net Proceeds to be paid to the Lessor for application against the Prepayment Price and the applicable Lease Payments then due.

If the Net Proceeds are insufficient to pay in full the cost of any replacement, repair, restoration or the Prepayment Price, the Lessee shall, as applicable, either (a) complete the work and pay any cost in excess of the amount of the Net Proceeds (the Lessee agrees that, if by reason of such insufficiency of the Net Proceeds, the Lessee should incur expenses, it shall not be entitled to any reimbursement therefor from the Lessor nor shall the Lessee be entitled to any diminution of the amounts payable hereunder); or (b) pay to the Lessor the then applicable Prepayment Price and any Lease Payment then due and, upon such payment, this Lease shall terminate and title to the Aircraft shall vest permanently in the Lessee.

Section 4.03. Tax Covenants. The Lessee shall do the following with respect to this Lease, with the object that the interest component of each respective Lease Payment shall be and remain excludable from gross income of the holders of the Certificates for purposes of federal income taxation:

(a) The Lessee shall not take any action, fail to take any action or make any use of the Aircraft which would cause the interest portion of the Lease Payments paid hereunder to be includable in the gross income of the holders of the Certificates for federal income tax purposes. The Lessee shall not permit any "use" of the Aircraft or of any portion thereof (pursuant to a sale, lease, management contract, take or pay, output or similar agreement, or any other arrangement, the effect of which would be to convey a proprietary interest in, or exclusive or preferential rights with respect to the operation of, the Aircraft or the use of the output or capacity therefrom or thereof)

which “use” would constitute “private business use” of the Aircraft or any portion thereof within the meaning of section 141(b) of the Code. The Lessee shall comply with each requirement of the Code necessary to maintain the exclusion from gross income of the interest component of the Lease Payments.

(b) In furtherance of the covenant contained in the preceding subsection (a), the Lessee agrees to comply with the provisions of the Tax and Arbitrage Certificate, attached hereto as Exhibit G in form and substance acceptable to the Lessor and its assigns. Without limitation of the generality of the foregoing, the Lessee covenants that it will take no action and will not omit to take any action, the taking or omission of which would cause the Lessee’s obligations hereunder to be a “private activity bond” within the meaning of section 141 of the Code, an “arbitrage bond” within the meaning of section 148 of the Code, a “federally guaranteed bond” within the meaning of section 149(b) of the Code, or a “hedge bond” within the meaning of section 149(g) of the Code, or otherwise cause the interest components of the Lease Payments (as shown on **Exhibit B** attached hereto) to fail to be excludable from gross income for federal income tax purposes and, if applicable, from taxation under the laws of the State. The Lessee and the Lessor or its assigns shall be permitted to enter into an agreement with such other persons under which such persons assume responsibility for such actions as are necessary to comply with such covenants.

(c) Also without limitation of the generality of the foregoing, the Lessee shall comply with section 148(f) of the Code and any other or superseding provisions of law that may require, as a condition to such continuing exclusion from gross income, at any time or from time to time, rebate to the United States of amounts in respect of earnings derived from the investment of the gross proceeds of this Lease and the amounts held in the funds under the Trust Agreement. To determine if rebate is owed to the United States, and in accordance with section 148(f) of the Code, the Lessee agrees to comply with the provisions of **Section 3.02(c)** hereof.

(d) The Lessee shall not sublease or otherwise make the Aircraft available to any entity if such sublease or other availability might adversely affect the status of the interest component of the Lease Payments as excludable from gross income pursuant to section 103 of the Code for federal income tax purposes.

(e) The Lessee will prepare or cause to be prepared, and will file or cause to be filed, a Form 8038-G with respect to this Lease and the Certificates in the manner and within the time provided by section 149(e) of the Code.

In the event interest on the Lease ceases for any reason to be excludable from gross income under section 103 of the Code, the Lessee shall nevertheless remain liable for payment in full of the Lease Payments due under this Lease; provided, however, in no event shall the Lessee’s obligation to pay Lease Payments under this Lease increase, nor shall the Lessee be obligated beyond any of the terms of this Lease.

The obligations of the Lessee contained in (a) through (e) above shall survive any termination, release, satisfaction and discharge of this Lease.

Section 4.04. Liens. The Lessee shall not directly or indirectly create (except to the extent of the tax liens contemplated by **Section 4.05**), incur, assume or suffer to exist any mortgage, pledge, lien, charge, security interest, encumbrance or claim on or with respect to the Aircraft or its interest therein, other than under this Lease. The Lessee shall promptly, at its own expense, take such action as may be necessary to duly discharge any such mortgage, pledge, lien, security interest, charge, encumbrance or claim if the same shall arise at any time.

Section 4.05. Taxes, Other Governmental Charges and Utility Charges. The Lessee will pay, as the same respectively become due, subject to reasonable rights to defer and contest the applicability of any such charge in its own name or in the name of the Lessor or its assigns, all taxes, assessments, impact fees and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Aircraft or any portion thereof or other property acquired by the Lessee in substitution for, as a renewal or replacement of, or a modification, improvement, accretion, accessory, or addition to the Aircraft, together with any interest or penalty thereon, as well as all utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Aircraft, provided that, with respect to any governmental charges that may lawfully be paid in installments over a period of years, the Lessee shall be obligated to pay only such installments as are accrued during such time as this Lease is in effect. In the event any tax, assessment, impact fee and governmental charge of any kind whatsoever is at any time assessed or levied against the Lessor or its assigns with respect to the Aircraft or any portion thereof, the Lessee shall, at the request of the Lessor or its assigns, reimburse the Lessor or its assigns for any such tax, assessment, impact fee or governmental charge, subject however, to the rights of the Lessee to defer and contest the applicability of any such charge as provided in this paragraph. Nothing contained in this Section shall be construed or interpreted (i) as constituting the consent by the Lessee to any tax, assessment, impact fee or governmental charge of any kind where the Lessee is entitled by law to an exemption from any such tax, assessment, impact fee or governmental charge, or (ii) to prohibit the Lessee from contesting in good faith any such tax, assessment, impact fee or governmental charge.

Section 4.06. Modifications to the Aircraft. All alterations, modifications or attachments to the Aircraft shall become part of the Aircraft.

Section 4.07. Access. The Lessee, so long as no event of default by the Lessee under this Lease shall have occurred and be continuing, shall at all times have and retain all rights of access and control of the Aircraft.

Section 4.08. Quiet Possession. The Lessor and its assigns covenant and agree that, if the Lessee shall perform all the covenants, conditions, and agreements herein contained to be performed on the Lessee's part, the Lessee shall have at all times during the term of this Lease the peaceable

and quiet enjoyment and possession of the Aircraft for the purposes leased without hindrance from the Lessor or any person or persons claiming through or under the Lessor or its assigns.

Section 4.09. No Claims Against Assignee. The parties hereto contemplate that the Lessor will assign its interest in this Lease to an assignee, as provided in **Section 5.05**. The Lessee shall not assert against any such assignee for value, or any subsequent assignee, any claim or defense, by set-off, counterclaim or otherwise, that it may now or hereafter have against the Lessor, including but not limited to breach of warranty, whether express or implied, as to the value, design, condition, merchantability or fitness for a particular purpose or use of the Aircraft or any other warranty with respect thereto. In no event will such assignee be liable for any loss or damage, including incidental, indirect, special or consequential damages, in connection with any of the duties or obligations of the Lessor under this Lease.

Section 4.10. Use of the Aircraft. The Lessee, to the extent required of it, will not use, operate or maintain the Aircraft improperly, carelessly, in violation of any applicable law or in a manner contrary to that contemplated by: (i) the Tax and Arbitrage Certificate, (ii) the Lease Documents, (iii) any applicable insurance policy or (iv) any applicable law. The Lessee, to the extent required of it, agrees to comply in all respects (including, without limitation, with respect to the use, maintenance and operation of the Aircraft) with all applicable laws and all orders, ordinances or regulations of any legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Aircraft, provided, however, that the Lessee may contest in good faith the validity or application of any such law or rule in any reasonable manner which does not, in the opinion of the Lessor or its assigns, materially adversely affect the estate of the Lessor or its assigns in and to the Aircraft or any portion thereof or its interest or rights under this Lease.

Section 4.11. Maintenance; Operation; Replacement of Parts.

(a) The Lessee, at its own expense, shall maintain, service, repair, overhaul and test the Aircraft (i) so as to keep the Aircraft in as good operating condition as when delivered, ordinary wear and tear excepted, (ii) so as to keep the Aircraft duly certified as airworthy under the Federal Aviation Act of 1958, as amended, and (iii) so as to accomplish any Federal Aviation Administration airworthiness directives applicable to any Aircraft, as well as all licensing and relicensing with respect thereto which may be required by a domestic or foreign governmental authority having jurisdiction. In addition, the Lessee, at its own expense, will maintain all records, logs and other materials required by the Federal Aviation Administration to be maintained in respect of the Aircraft.

(b) If any propeller, appliance, part, spare part, instrument, appurtenance, accessory, furnishing or other Aircraft of whatever nature installed on or attached to the Aircraft but constituting less than substantially all of such Aircraft (herein for the purpose of this Section sometimes called a "Part") shall become worn out, lost, stolen, destroyed, seized, confiscated, damaged beyond repair or permanently rendered unfit for use for any reason whatsoever, the Lessee, at its own expense, will promptly replace such Part. In addition, in the ordinary course of maintenance, service, repair, overhaul or testing the Lessee may remove any Part, whether or not

worn out, lost, stolen, destroyed, seized, confiscated, damaged beyond repair or permanently rendered unfit for use, provided that the Lessee shall replace such Part as promptly as possible. Each replacement Part shall be free and clear of all liens, encumbrances and rights of others and shall be in as good operating condition as, and shall have a value and utility at least equal to, the Part replaced if such replaced Part were in the condition and repair required to be maintained by the terms hereof. Immediately upon any replacement Part becoming installed on or attached to the Aircraft as above provided, without further act, (i) title to the replacement Part shall thereupon be vested in the Lessee and (ii) such replacement Part shall become subject to this Lease and deemed part of the Aircraft for all purposes hereof to the same extent as a Part originally installed on or attached to such item of Aircraft. Except to the extent permitted by this Section, the Lessee will not, without the prior written consent of the Lessor, remove any Part from the Aircraft or attach or install any such Part on any aircraft or aircraft engine or other property.

(c) The Lessee, at its own expense, shall make such alterations and modifications to the Aircraft as may be required from time to time to meet the standards of the Federal Aviation Administration or other governmental authority. In addition, the Lessee, at its own expense, may from time to time make such alterations and modifications in and additions to the Aircraft as the Lessee may deem desirable in the proper conduct of its business provided no such alteration, modification or addition diminishes the value or utility of the Aircraft, or impairs the airworthiness thereof, below the value, utility, condition and airworthiness thereof immediately prior to such alteration, modification or addition if such item were then in the condition and airworthiness required to be maintained by the terms of this Lease. Title to each Part installed on or attached or added to any such item of Aircraft as the result of any such alteration, modification or addition shall, without further act, be deemed in the Lessee; provided, however, that, so long as no Event of Default hereunder (or an event which would constitute an Event of Default but for the lapse of time or the giving of notice or both) shall have occurred and be continuing, the Lessee may remove any such Part which, at the time of such removal, meets each of the following requirements: (i) such Part is in addition to, and not in replacement of or substitution for, any Part previously installed on or attached to the Aircraft; (ii) such Part is not required to be installed on or attached or added to the Aircraft pursuant to the terms of paragraph (b) of this Section or the first sentence of this paragraph (c); and (iii) at the time of determination such Part can be removed from the Aircraft without diminishing or impairing the value, utility or airworthiness which such item would have had at such time had such alteration, modification or addition not occurred.

(d) All inspection, repairs, modifications, maintenance, directives and overhaul work to be made or accomplished by the Lessee with respect to the Aircraft shall be performed at the Lessee's expense by personnel duly licensed to perform such work and shall be in accordance with the standards required by the Federal Aviation Administration and other governmental regulations. The Lessee shall maintain all records pertaining to the Aircraft in accordance with rules and regulations of the Federal Aviation Administration. Such records shall at all times be available for examination by the Lessor; and the Lessee shall, upon the expiration of this Lease prior to payment by the Lessee of all amounts due hereunder, deliver such records to the Lessor.

(e) The Lessee shall not operate nor permit operation of the Aircraft outside the continental limits of the United States, Canada, Mexico, and the Caribbean without the prior written consent of the Lessor.

Section 4.12. Federal Aviation Administration.

(a) The Lessee will carry on the Aircraft the duly issued Federal Aviation Administration certificate of registration, as well as any other documents which may be required by the Federal Aviation Administration or any other domestic authority.

(b) Forthwith upon the acceptance of the Aircraft, the Lessee will provide serial numbers and other identification information necessary to allow recording of this Lease with the Federal Aviation Administration, and the Lessor will cause the same to be duly recorded to evidence its security interest therein. In addition, the Lessee agrees to promptly and duly execute and deliver to the Lessor such further documents and assurances and take such further action as the Lessor may from time to time request in order to more effectively carry out the intent and purpose hereof and to establish and protect the Lessor's security interest to the Aircraft and the rights, interests and remedies created, or intended to be created, in favor of the Lessor hereby, including, without limitation, the execution, delivery and recording with the Federal Aviation Administration of such supplements or amendments hereto subjecting to this Lease to any replacement Part as the Lessor may from time to time request.

(c) Upon payment in full of all amounts due under this Lease, the parties hereto agree that a Termination of Aircraft Lease, substantially in the form of Exhibit H hereto will be filed to evidence such termination.

Section 4.13. Release and Indemnification Covenants. To the fullest extent permitted by the laws and Constitution of the State, the Lessee shall protect, hold harmless and indemnify the Lessor and the Trustee and their respective assigns for, from and against any and all liability, obligations, losses, claims, and damages paid or incurred in connection with the Aircraft, including, but not limited to its use, this Lease, the Lease Documents, and any related instrument (except that the Lessee shall not protect, hold harmless or indemnify the Lessor or the Trustee and their respective assigns for the willful or wanton acts or omissions, mistakes, or gross negligence of Lessor or the Trustee and their respective assigns, to the extent that such acts, omissions, mistakes, or gross negligence of such party are successfully alleged to have caused the liability, obligation, loss, claim or damage) and expenses in connection therewith including reasonable attorneys' fees and expenses. The obligations of the Lessee to protect, hold harmless, reimburse, and indemnify the Lessor and the Trustee and their respective assigns as set forth under this Section shall survive any termination, release, satisfaction and discharge of this Lease.

Section 4.14. Benefit and Burden. The provisions of this Lease shall be binding upon, and shall inure to the benefit of, the parties hereto and each of their respective successors, assigns or representatives.

Section 4.15. Risk of Loss. All risk of loss to the Aircraft arising out of the ownership, possession or use of the Aircraft shall be borne by Lessee.

Section 4.16. Security Agreement. To secure all obligations of the Lessee hereunder, the Lessee hereby grants to the Lessor and its assigns a security interest in any and all of Lessee's right, title and interest in and to this Lease, the Aircraft, all additions, attachments, accessions, substitutions and replacements thereto, the Lease Payments due or to become due hereunder, and any and all proceeds thereof, including without limitation, the proceeds of insurance thereon. The Lessee agrees to execute and deliver all documents, instruments and financing statements necessary or appropriate to perfect or maintain the security interest granted hereby. The Lessor is authorized to file financing statements without the Lessee's signature on the Lessee's behalf as specified by the Uniform Commercial Code of the State to perfect or maintain the Lessor's security interest granted hereby. At the request of the Lessor, the Lessee will keep and maintain a conspicuous marking or tag on the Aircraft that a security interest therein is held by the Lessor or its assigns. The Lessee agrees to pay any and all filing or registration fees incurred in connection with the recording, perfection or release of the security interests described in this **Section 4.16**.

Section 4.17. Limitation on Warranties. The Lessee acknowledges and agrees that the Aircraft to be acquired pursuant to this Lease is of a size, design, and capacity which is or shall be selected by the Lessee, that the Lessor is neither a manufacturer nor a vendor of the Aircraft, and that the **LESSOR HAS NOT MADE, AND DOES NOT HEREBY MAKE, ANY REPRESENTATION, WARRANTY, OR COVENANT, EXPRESS OR IMPLIED, WITH RESPECT TO THE MERCHANTABILITY, CONDITION, QUALITY, DURABILITY, DESIGN, OPERATION, FITNESS FOR USE, OR SUITABILITY OF THE AIRCRAFT IN ANY RESPECT WHATSOEVER OR IN CONNECTION WITH OR FOR THE PURPOSES AND USES OF THE LESSEE, OR ANY OTHER REPRESENTATION, WARRANTY, OR COVENANT OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, WITH RESPECT THERETO, AND NEITHER THE LESSOR NOR ITS ASSIGNEES SHALL BE OBLIGATED OR LIABLE FOR ACTUAL, INCIDENTAL, CONSEQUENTIAL, OR OTHER DAMAGES OF OR TO THE LESSEE OR ANY OTHER PERSON OR ENTITY ARISING OUT OF OR IN CONNECTION WITH THE USE OR PERFORMANCE OF THE AIRCRAFT AND THE MAINTENANCE THEREOF.**

The Lessor hereby assigns to the Lessee during the Lease Term, to the extent permitted by law and so long as no Event of Default has occurred hereunder and is continuing, all of its right and interest in warranties, if any, expressed or implied with respect to the Aircraft, and the Lessor shall authorize the Lessee to obtain the customary services furnished in connection with such warranties at the Lessee's expense, subject, however, to a reservation by the Lessor of a right to independently enforce such warranties.

Section 4.18. Assignment of Vendor's Warranties. Notwithstanding the foregoing, the Lessor hereby agrees to and does hereby assign to the Lessee, solely for the purpose of making and prosecuting any such claim, all of the Lessor's rights against the manufacturer or supplier of the

Aircraft for breach of warranty or other representation respecting the Aircraft to the extent the same are assignable.

ARTICLE V EVENTS OF DEFAULT AND REMEDIES

Section 5.01. Events of Default Defined. The following shall be “Events of Default” under this Lease:

(a) Failure by the Lessee (i) to pay any Lease Payment when due for any reason other than a failure to appropriate, or (ii) to pay any other payment required to be paid hereunder at the time specified herein (however, payments required by **Section 4.05** of this Lease shall be subject to the Lessee’s rights as set forth in such Section to defer and contest);

(b) Failure by the Lessee to observe and perform any covenant, condition or agreement on its part to be observed or performed hereunder, other than as referred to in Subsection (a) above, for a period of 30 days after written notice to the Lessee by the Lessor or the Trustee, specifying such failure and requesting that it be remedied unless the Lessor or its assigns shall agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, neither Lessor nor the Trustee will unreasonably withhold its consent to an extension of such time if corrective action is instituted by the Lessee within the applicable period and diligently pursued until the default is corrected;

(c) Any representation or warranty contained herein or in any document, certificate, report or information furnished by the Lessee in connection herewith shall prove to be untrue or incorrect in any material respect when made;

(d) The filing by the Lessee of a petition in bankruptcy under the United States Bankruptcy Code, or the commencement of a proceeding under any other applicable law concerning insolvency, reorganization or bankruptcy by or against the Lessee as debtor;

(e) The interest portion of the Lease Payments paid hereunder are declared to be includable in the gross income of the holders of the Certificates for federal income tax purposes; or

(f) The occurrence of an event of default under any other Lease Document.

Section 5.02. Remedies on Default.

Immediately upon the occurrence of an Event of Default described in **Section 5.01(a)** hereof or upon the occurrence of any other Event of Default described in **Section 5.01** hereof, and the failure of the Lessee to remedy such Event of Default within any specified cure period, or if not remediable within the specified cure period, the Lessee shall fail to proceed diligently with appropriate action to remedy the same and continue until such default is cured, then the Lessor shall

have the right, at its option and without any further demand or notice, to take one or any combination of the following remedial steps:

- (a) With or without terminating this Lease and upon written notice to the Lessee, enter and take possession of the Aircraft and sell the Aircraft in such a manner as will not cause a violation of **Section 4.03** hereof, holding the Lessee liable for the difference between (a) the sales price and other amounts paid by the purchaser pursuant to such sales agreement and (b) the balance of the Lease Payments and other amounts owed by Lessee with respect to this Lease; provided, however, that the sale of the Aircraft will be conducted on reasonably commercial terms and at a fair market price; and provided further that the Lessor or its assigns shall disburse to the Lessee any excess proceeds from the sale; and further provided that the Lessee shall cause, at its expense, title to the Aircraft to be transferred to Lessor or its assigns, together with all documents necessary to transfer legal and beneficial title thereto and possession thereof to the Lessor or its assigns and to evidence the termination of all of the Lessee's interests therein, all in full satisfaction of the Lessee's obligations hereunder; or
- (b) With or without terminating this Lease, and upon written notice to the Lessee, declare all Lease Payments due or to become due with respect to this Lease during the current Fiscal Year in which the Event of Default occurs to be immediately due and payable; and the same shall become immediately due and payable; or
- (c) Take whatever action at law or in equity that may appear necessary or desirable to enforce performance by the Lessee of the applicable covenants of this Lease or to recover for the breach thereof, including the payment of Lease Payments due during the Lessee's current Fiscal Year or any deficiency therefor following the sale of the Aircraft.

No remedy herein conferred upon or reserved to the Lessor is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

Section 5.03. No Remedy Waived. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Lessor or its assigns to exercise any remedy reserved in **Section 5.02** of this Lease, neither the Lessor nor its assigns shall be required to give any notice, other than such notice as may be required in this Lease.

Section 5.04. Assignment by the Lessee. Without the prior written consent of the Lessor or its assigns, the Lessee will neither (i) assign, transfer, pledge, hypothecate, grant any security interest in or otherwise dispose of this Lease or the Aircraft or any interest in this Lease or the Aircraft, nor (ii) sublet or sublease the Aircraft.

Section 5.05. Assignment by the Lessor. The Lessee acknowledges that, simultaneously with the execution and delivery of this Lease, the Lessor intends to assign its right, title, and interest in and to this Lease and the Aircraft, including the right to receive Lease Payments and any security interest in the Aircraft granted by the Lessee to the Lessor herein and in and to any other documents executed with respect to this Lease to the Trustee. Any such assignee shall have all of the rights but not the obligations of the Lessor under this Lease. After the giving of notice of such assignment to the Lessee, the Lessee agrees to thereafter make all Lease Payments in accordance with the notice to the Trustee and shall, if so requested, acknowledge such assignment in writing, but such acknowledgment shall in no way be deemed necessary to make the assignment effective.

ARTICLE VI MISCELLANEOUS

Section 6.01. Waiver. No covenant or condition of this Lease can be waived except by the prior written consent of the Lessor or its assigns. Any failure of the Lessor or its assigns to require strict performance by the Lessee or any waiver of any terms, covenants or agreements herein shall not be construed as a waiver of any other breach of the same or of any other term, covenant, or agreement herein.

Section 6.02. Severability. In the event any portion of this Lease shall be determined to be invalid under any applicable law, such provision shall be deemed void and the remainder of this Lease shall continue in full force and effect.

Section 6.03. Notice. All notices made or required to be given pursuant to this Lease shall be in writing and shall be deemed duly served if and when mailed, certified or registered mail, postage prepaid, return receipt requested, to the other party at its address set forth below, or at such other address as such party shall hereafter designate in writing:

If to the Lessee Division of Aeronautics
State of Utah
135 North 2400 West
Salt Lake City, Utah 84116
Attention: Director

If to the Lessor: Carlyle Capital Markets Inc.
14755 Preston Road, Suite 424
Dallas, Texas 75240
Attention: President

If to Trustee

First Tennessee Bank National Association
4385 Poplar Avenue
Memphis, Tennessee 38117
Attention: Dennis D. Gillespie, Vice President

Section 6.04. Article and Section Headings. All article and section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Lease.

Section 6.05. Entire Agreement. This Lease, including the Exhibits attached hereto or hereafter provided from time to time, constitutes the entire agreement between the parties, and this Lease shall not be modified, amended, altered, or changed except by written agreement signed by the parties.

Section 6.06. Binding Effect. Subject to the specific provisions of this Lease, this Lease shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

Section 6.07. Time. Time is of the essence with respect to this Lease and each and all of its schedules and provisions.

Section 6.08. Governing Law. This Lease shall be construed in accordance with, and governed by the laws of, the State.

Section 6.09. Counterparts. This Lease may be executed in any number of counterparts, each of which when so executed and delivered shall be considered an original, but which together shall constitute but one and the same instrument.


Section 6.10. Truth-in Leasing.

- (I) DURING SUCH PORTION OF THE 12-MONTH PERIOD PRECEDING THE DATE OF THIS LEASE AS THE AIRCRAFT HAS BEEN OWNED BY THE LESSEE, THE LESSEE HEREBY CERTIFIES THAT THE AIRCRAFT HAS BEEN INSPECTED AND MAINTAINED IN ACCORDANCE WITH THE PROVISIONS OF THE APPLICABLE FEDERAL AVIATION REGULATIONS ("FAR") AND ALL APPLICABLE REQUIREMENTS FOR THE MAINTENANCE AND INSPECTION HAVE BEEN MET. THE LESSEE FURTHER CERTIFIES THAT THE AIRCRAFT WILL BE MAINTAINED UNDER THE APPLICABLE PROVISIONS OF FAR FOR OPERATIONS TO BE CONDUCTED UNDER THIS LEASE; PROVIDED, HOWEVER, THAT DURING THE TERM OF THIS LEASE, THE LESSEE SHALL BE RESPONSIBLE FOR MAINTAINING THE AIRCRAFT UNDER FAR PART 91 OR 135, AS APPLICABLE.

- (II) THE LESSEE, WHOSE NAME AND ADDRESS ARE SET FORTH ABOVE IN **SECTION 6.03** AND WHOSE SIGNATURE IS SET FORTH BELOW, UNDERSTANDS ITS RESPONSIBILITIES FOR COMPLIANCE WITH APPLICABLE FAR'S.
- (III) THE LESSOR AND THE LESSEE EACH UNDERSTAND THAT AN EXPLANATION OF THE FACTORS BEARING ON OPERATIONAL CONTROL AND PERTINENT FEDERAL AVIATION REGULATIONS CAN BE OBTAINED FROM THE NEAREST FEDERAL AVIATION ADMINISTRATION FLIGHT STANDARDS DISTRICT OFFICE.

IN WITNESS WHEREOF, the parties hereto have caused this Lease Purchase Agreement to be executed as of the day and year first written above.

**STATE OF UTAH, acting by and through its
DIVISION OF AERONAUTICS**

By: 
Robert Barrett
Director

**APPROVED AS TO FORM
AND LEGAL SUFFICIENCY:**

CARLYLE CAPITAL MARKETS INC.

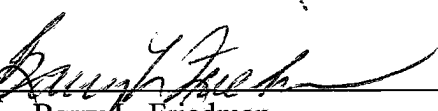
By: 
Barry L. Friedman
President

EXHIBIT A
to
LEASE PURCHASE AGREEMENT
AIRCRAFT DESCRIPTION

One (1) new Raytheon Aircraft Company B200 aircraft, bearing Serial Number BB-1722 and United States Registration Number N773TP, together with two (2) Pratt and Whitney PT6A-42 engines bearing serial numbers PCEPJ0421 and PCEPJ0418 (collectively, the "Aircraft") (each of which engines has 750 or more rated takeoff horsepower or the equivalent thereof); value (list price) of \$4,245,768; less trade-in value of State's existing B200 aircraft, for total amount of Aircraft Costs of \$1,688,385, and having the specifications identified on the following pages to this Exhibit A.

2000 King Air B200

BB1722. N773TP

Specifications

Raytheon Aircraft

Avionics Two Tube Single Processor System

Collins Pro Line II

COMM 1 - Collins VHF-22A-011 (Extended Range To 136.975 MHz With 25 KHz Increments)

Transceiver With CTL-22 Control And Antenna

COMM 2 - Collins VHF-22A-011 (Extended Range To 136.975 MHz With 25 KHz Increments)

Transceiver With CTL-22 Control And Antenna

NAV 1 - Collins VIR-32 VOR/LOC/GLS/MKR

Receiver With EHSI-84 Indicator And CTL-32

Control And NAV And Glideslope Antenna

NAV 2 - Collins VIR-32 VOR/LOC/GLS/MKR

Receiver With 331A-3G Indicator And CTL-32

Control, Connected To NAV And Glideslope Antenna

ADF - Collins ADF-60A With CTL-62 Control And ANT-60A Antenna

Transponders - Dual Collins TDR-94's With Single CTL-92 Control And Dual Antennas

Transponder ATC Ident Button On Pilot's And Copilot's Control wheels

DME - Dual Collins DME-42's With Dual IND-42A Indicators And Dual Antennas

No. 1 DME Channel: NAV 1 Active/NAV 1

Preselect/DME Hold Switching

No. 2 DME Channel: NAV 2 Active/NAV 2

Preselect/DME Hold Switching

RMI - Dual Collins RMI-30's With NAV 1/ADF On Single Needle And NAV 2/ADF On Double Needle

No. 1 RMI Card From No. 2 MCS-65

No. 2 RMI Card From No. 1 MCS-65

Compass 1 - Collins MCS-65 System Drives Pilot's EHSI-84 And Copilot's RMI

Compass 2 - Collins MCS-65 System Drives Copilot's 331A-3G And Pilot's RMI

Inverters - Dual KGS SPC-60A, 600VA With Failure Light

Pilot's Encoding Altimeter/Altitude Alerter - Collins ALI-80A Counter Pointer Encoding Altimeter With PRE-80C Altitude Alerter And Preselector

*Copilot's Aerosonic Encoding Counter - Pointer Altimeter 101450-11952 (Inches)

Audio - Dual DB Systems Model 438 With Omni Range Filters, ADF Voice/Range Filter, Dual Audio Switches And Auto COMM Switches

Marker Beacons - Dual Included In VIR-32's With Dual Lights And Antenna

CVR - L3 Communications A100S Cockpit Voice Recorder

Glideslopes - Dual Included In VIR-32's And With Antenna

Autopilot / Flight Director - Collins APS-65H

Autopilot With EFIS-84, Two Tube Single

Processor, Four Inch Flight Director System

Includes EADI-84 Horizon Indicator, EHSI-84

Course Indicator, DSP-84 Remote Heading/Course/

Display Control, DPU-84 Display Processor, ADC -

85 Air Data Computer, APP-65 And FCP-65

Autopilot Controls, Altitude Hold, Climb/Descent

Mode, Altitude Preselect, Vertical Speed Hold,

Indicated Airspeed Hold, Yaw Damper, Manual

Electric Trim

Weather Radar - Collins WXR-270 Weather Radar With IND-270A Indicator 12" Antenna

Radar Altimeter - Collins ALT-55B With ALI-55 Indicator And Dual Antennas

Pilot's Horizon Indicator - EADI-84

Pilot's Course Indicator - EHSI-84

Pilot's And Copilot's Turn And Bank Indicators- 2" Electric

Copilot's Horizon Indicator - 3" Air

Copilot's Directional Indicator- 331A-3G (HSI)

*Radio Telephone - Provisions Only

Cabin Paging - Flight Deck To Cabin Paging With Four Cabin Speakers

Ground COMM Switch Tied To COMM 1 And Pilot's And Copilot's Audio

Dual Hand Held Microphones

Microphone Key Button On Pilot's And Copilot's Control Wheels

Static Wicks

Emergency Locator Transmitter With Flight Deck Switch

Sectional Instrument Panel (Back Mounted Instruments)

White Lighting

Avionics Master Switch

Edgelite Radio And Control Panel

Engines And Propellers

Pratt And Whitney PT6A-42 Reverse Flow, Free Turbine Engines Rated At 850 Shaft Horsepower Each
Hartzell Four Blade, Aluminum Alloy, 94" Diameter, Dynamically Balanced, Constant Speed Propeller With Polished Spinners
Automatic Feathering System And Type 11 Synchrophaser
Dynamic Propeller Balance Test Plug
Fuel Crossfeed System
Engine Driven Fuel Pumps
Engine Driven Fuel Boost Pumps
Submerged Electric Standby Fuel Boost Pumps
Jet Type Fuel Transfer Pumps
Fuel Control Units
Auto Ignition System
Primary Propeller Governors
Overspeed Propeller Governors
Fuel Topping Governors
Automatic Fuel Heater System
Bleed Air Vacuum System
Magnetic Chip Detector
EPA Fuel Purge System
Engine Anti-Icing System
Exhaust Heated Engine Inlet
Engine Fire Detection System
Engine Over Torque Limiters
Low Fuel Quantity Warning System

Landing Gear And Brakes

Tricycle Type With Electro-Hydraulic Extension And Retraction System
Steerable Nose Landing Gear With Shimmy Damper And Beech Oil-Air Struts
Individual Down Locks On Landing Gear
Dual Main Wheel Tires (Each Gear)
Main Landing Gear Tires (Tubeless) - 5.5 x 18
Nose Landing Gear Tire (Tubeless) - 6.75 x 22
*Brake Deice (Bleed Air Heat)
Multiple Disc Brakes On Each Main Landing Gear
Forged Steel Nose Landing Gear Fork
Auxiliary Landing Gear Extension Control
Landing Gear Warning System With Manual Override And Automatic Reset
Landing Gear Control Switch Handle, Warning Lights And Horn

Systems And Controls

Conventional Dual Column, Three Axis Control System With Adjustable Pilot's (Left Side) And Copilot's (Right Side) Rudder Pedals
Individual Toe Operated Pilot's And Copilot's Brakes
Parking Brake With Hand Control
Oxygen System - 77 Cubic Foot, Complete With Ten Automatic Deployment Masks And One First Aid Mask
Anti-Ice Equipment; Including Primary And Secondary Heated Windshields, Stall Warning Mounting Plate And Vane And An Electrically Heated Jacket On Fuel Control Lines
Pneumatic Surface Deice System On Leading Edges Of Wings And Horizontal Stabilizer
Electro-Thermal Propeller Deice System
Heated Stall Warning System With Preflight Self Test System
Heated Stall Warning Vane
Electronic Stall Warning Horn
Adjustable Aileron, Rudder, And Dual Elevator Trim Tabs
Pedestal Mounted Power Propeller And Condition Levers
Rudder Boost System
Electrically Actuated Three Position Fowler Type Flap Controls
Dual Electric Ice Vane Actuators
Three Position Flap Select Switch
Aileron Cable Tension Regulator
Automatic Fuel Transfer System
Dual Heated Fuel Vents
Dual Heated Pitot Tubes - Nose Mounted
Dual Static Air Ports On Both Sides Of Fuselage
Capacitance Type, Temperature Compensating, Fuel Gauging System
Dual Bleed Air Pressurization

Engine Instruments

Two Interstage Turbine Temperature Indicators
Two Torque Indicators
Two Gas Generator RPM Indicators
Two Propeller RPM Indicators
Two Fuel Flow Indicators
Two Oil Pressure/Oil Temperature Indicators
Two Fuel Quantity Indicators
Propeller Synchroscope

Two D.C. Load Meters

Flight Deck Instruments

Copilot's Gyro Horizon Indicator (Air)

Two Airspeed Indicators

Two Sensitive Altimeters

Two Turn And Slip Indicators (Electric)

Two Instantaneous Vertical Speed Indicators

Standby Magnetic Compass

Digital Outside Air Temperature Indicator

Pilot's Control Wheel LCD Digital Chronometer
Clock

Copilot's Control Wheel Analog Twenty -Four Hour
Clock

Electronic Flight Director Indicator

Pilot's Electronic Horizontal Situation Indicator

Vacuum Gauge,

Deice Pressure Gauge

Flap Position Indicator

Cabin Rate Of Climb Indicator

Cabin Altitude And Differential Pressure Indicator

Oxygen Pressure Indicator

Flight Hour Recorder

Electrical 28 Volt DC System

Two Engine Starters/Generators (250 Ampere - 28
Volt)

Dual Split Bus System

Maintenance Free Lead Acid Battery

Solid State Generator Controllers

External Power Receptacle With Flight Deck
Annunciation

Automatic Solid State Master Warning And
Annunciator Control Panel System With Self Test
And Dimmer Switch

A.C. Volt/Frequency Meter

Propeller Anti-Ice Ammeter

Electrical Circuit Protection

Internal Lights

Internally Lighted Flight And Engine Instruments

Electroluminescent Subpanel Lighting

Instrument Panel Floodlighting In Glareshield

Annunciator Light Panel In Glareshield

Landing Gear Extended Position Lights

Pilot's And Copilot's Control Wheel Map Lights

Adjustable Reading Lights Above All Passenger
Chairs

Baggage Compartment Lights

Rheostat Controlled Blue White Flight Deck Lighting

With Master Switch

Aisle Courtesy Lights

Entrance Door Step Lights

External Lights

Taxi Light And Two Landing Lights On Nose Landing
Gear

Entrance Door Area Illumination Light

Wing Tips And Tail Navigation Lights

Dual White Flashing Beacons On Vertical Tail And
Belly

Two Wing Leading Edge Ice Lights

Vertical Tail Illumination Lights (Logo)

Recognition Lights - Wing Tips

Wing Tips And Tail Strobe Lights

Cabin

No Smoking Configuration

Fresh Air Outlets For All Occupants

Eleven Cabin Windows With Adjustable Polarized
Windows

"Quiet Cabin" Package With Thirty Two
Electronically Tuned Dynamic Vibration Absorbers

Dual Bleed Air Type Heating System With Separate
32,000 BTU Vapor Cycle (R134a) Cooling System,
And High Capacity Ventilation Blower

Supplemental Electric Cabin Heating System

"No Smoking - Fasten Seat Belt" Signs With Audible
Chime

Plug Type Emergency Exit

Cabin Coat Cables With Hangers

Airstair Door With Folding Steps And Hydraulic
Snubber

Cabin Fire Extinguisher (Halon)**

Cupholder For Each Cabin Chair

Forward Partition With Sliding Panels Separating
Flight Deck From Cabin

Aft Partition With Sliding Panels Separating Cabin
From Lavatory

Seats, Cabinetry

Interior Cabinetry Including Partitions, Tables,
Magazine Racks, Chart Cases etc. Built With Light
Weight Composite Material

*Two Cockpit Chair Sheepskin Covers

Two Three Way Adjustable Flight Deck Chairs,
Includes Adjustable Tilt, Fore And Aft Travel and

Vertical Adjustment With Shoulder Harness
 Restraint System
 *Six Lateral Tracking Cabin Chairs
 One Cabin Chair, Forward Left Side Aft Facing Fully
 Adjustable With Integrated Headrest, Inertia Reel
 Shoulder Harnesses With Matching Lap Belts And
 Retractable Inboard Armrests
 *One Cabin Chair, Forward Right Side Aft Facing
 Fully Adjustable With Integrated Headrest,
 Inertia Reel Shoulder Harnesses With Matching
 Lap Belts, Retractable Inboard Armrests
 Four Cabin Chairs, In Aft Club Arrangement, Fully
 Adjustable With Integrated Headrest, Inertia Reel
 Shoulder Harnesses With Matching Lap Belts And
 Retractable Inboard Armrests
 Private Lavatory With Flushing Toilet, Mirror, Relief
 Tube Seat Belt, And Padded Partition
 *Quickly Removable Fold-Up Seat, Aft
 Compartment Left Side And Right Side Includes:
 Air, Light And Oxygen Outlets, Fore And Aft
 Baggage Webbing, Armrest, Additional Coat
 Hanger Cable On Right Side, And Aft Baggage
 Curtain For Toilet Privacy
 Upright Pyramid Cabinet; Forward Left Side, 200-83-
 8000 - With Water Tank, One Gallon Heated Liquid
 Container, Two Cup Dispensers With Overboard
 Drain, Pullout Work Surface, Three General Storage
 Drawers, And Double Ice Chest Drawer On Bottom
 (Four Drawers Total)
 *Narrow Pyramid Cabinet Forward Right Side
 200-80-8000
 Cabin Table, Center Club Arrangement Left Side With
 Leather Table Top Inserts And Rack And Gear Table
 Mechanism
 Cabin Table, Center Club Arrangement Right Side
 With Leather Table Top Inserts And Rack And Gear
 Table Mechanism
 Narrow Pyramid Cabinet; Aft Left Side 200-80-
 8000 Includes: Two General Storage Drawers
 And Large Ice Chest Drawer On Bottom
 Magazine Rack, Aft Right Side

Flight Deck

Fresh Air Outlets
 Dual Electrically Heated, Individually Controlled,
 Safety Plate Glass Windshields
 Windshield Defroster

Windshield Wipers
 Low Profile Glareshield
 Pilot And Copilot's Openable Flight Deck Side
 Windows
 Dual Adjustable Sun Visors
 Overhead Mounted Diluter Demand Oxygen Masks
 With Internal Microphones And Puritan-Bennet
 Comfort Control Harness
 Flight Deck Fire Extinguisher(Halon)**
 Dual Flight Deck Speakers
 Cupholders
 Pilot And Copilot's Sidewall Storage Pockets
 Pilot And Copilot's Approach Plate/Chart Case, Two
 Compartments Each
 Copilot's Underseat Chart Case, One Book
 Manual Holders On Pilot And Copilot's Partition
Loose Equipment
 Extra Center Aisle Carpet (Aft Of Spar), Not Intended
 As A Runner
 Two Portable Noise Canceling Bose® Aviation
 Headset X, Control Module Requires One 9 Volt
 Alkaline Battery (Provided)
 Tow Bar
 Pitot Covers
 Gust Lock Assembly
 Flight Bag
 Aircraft Log Book
 Engine Log Books
 Propeller Log Books
 Propeller Restraints
 Engine Inlet Plugs
 Bleed Air Plugs
 Service Information Materials
 Maintenance Log Folder
 Avionics Wiring Diagrams And Avionics Pilot Guides
 Passenger Briefing Cards
 Screwdriver
 Pilot's Checklist
 Pilot's Operating Handbook And FAA Approved
 Airplane Plight Manual
 Cigarette Lighter
 Touch-Up Paint Kit
 Coat Hangers
 Microfiche Viewer And Microfiche Maintenance
 Manuals

Additional Features

FAR 135 Operational Configuration- Does Not Include

Emergency Equipment For Over Water Flight Or A
Flashlight

Exterior High Solids Urethane Paint

Complete Internal Polyamide Epoxy Corrosion

Proofing

Electric Ground Heater

Nose Avionics Compartment Moisture Barrier

Forward Avionics Compartment Access Doors With

Cam-Lock Fasteners And Key Locks

Aft Fuselage Maintenance Access Door With Cam-

Lock Fasteners And Key Lock

Anti-Siphon Fuel Filler Valves

Quick Release Second Cabin Door Support Cable

External Oxygen Filler Ports And Pressure Gauge

Training Entitlement

Two Pilot's, Five Day Course

One Maintenance Technician Ten Day Course

(Expires One Year After Delivery)

Minimum Prerequisites - Private Pilot Airplane

License; Multiple Engine Land License

Preferred Prerequisite - Instrument Rating

General Warranty

Raytheon Aircraft Company Manufactured Parts - Five

Years (No Hours Limit)

Systems And Components - Two Years (No Hours

Limit)

Collins Avionics - Five Years (No Hours Limit)

Pratt And Whitney Engines - Five Years Or 2,500

Hours (Whichever Occurs First, Balance Of

Remaining Engine Hours At Time Of Delivery)

****WARNING--Contains Halon Substance Which**

Harms Public Health And Environment By

Destroying Ozone In The Upper Atmosphere

Interior

Headliner & Window Panels Beechknit

Inset Panels *Arbor Cristallo Fabric

Rails Forest Leather

Sidewall Armrests Forest Leather

Flight Deck Sidewalls Sesame Leather

Cabin Sidewalls Sesame Leather

Floor Covering Mocha Velvet

Laminate Windsor Mahogany Gloss

Aft Pad Forest Leather

Chairs - Cushions, Boxing, Back, Base Cushion, Pairings Forest Leather

Chairs - Belt/Harness Black

Instrument Panel Castle Tan

Exterior Paint Scheme

#1 Color (Overall)	Matterhorn White
#2 Color (Stripe)	Jade Mist Green
#3 Color (Stripe)	Jade Mist Green
#4 Color (Accent Stripe)	Gold Metallic
Registration Number	Slanted In Jade Mist Green, Shaded In Gold Metallic, And Located On Fuselage
Total Price As Equipped	\$4,269,153.00

08/01/00

STATE OF UTAH
 SUPER KING AIR B200
 7 YEARS ANNUAL ESCROW PAYMENT
 D:\SIZING\BIDS\3516C.123
 00.3516EQ

EXHIBIT B

AMORTIZATION SCHEDULE

PAYMENT		LEASE	PRINCIPAL	5.8118%	FUND		PURCHASE
DATE	NUMBER	PAYMENT DEPOSIT(1)	COMPONENT(2)	INTEREST COMPONENT(2)	INTEREST EARNED(3)	CERTIFICATE PAYMENT(3)	OPTION PRICE(3)*
07-Aug-00	1	\$283,675.42	\$283,675.42	\$0.00			
15-Jan-01		0.00	0.00	0.00	\$7,980.58	\$42,555.48	1,451,984.48
15-Jul-01		0.00	0.00	0.00	8,028.03	\$238,480.92	1,492,437.37
30-Jul-01	2	283,675.42	203,623.57	80,051.85			
15-Jan-02		0.00	0.00	0.00	8,928.48	43,065.92	1,242,899.39
15-Jul-02		0.00	0.00	0.00	8,595.35	253,065.92	1,277,369.96
30-Jul-02	3	283,675.42	213,870.38	69,805.04			
15-Jan-03		0.00	0.00	0.00	9,094.22	37,080.92	1,021,681.25
15-Jul-03		0.00	0.00	0.00	8,954.89	267,080.92	1,049,807.28
30-Jul-03	4	283,675.42	226,300.16	57,375.26			
15-Jan-04		0.00	0.00	0.00	9,016.10	30,525.92	787,641.68
15-Jul-04		0.00	0.00	0.00	9,084.36	270,525.92	809,083.24
30-Jul-04	5	283,675.42	239,452.33	44,223.09			
15-Jan-05		0.00	0.00	0.00	9,148.16	23,685.92	539,945.59
15-Jul-05		0.00	0.00	0.00	9,227.34	278,685.92	554,404.17
30-Jul-05	6	283,675.42	253,368.89	30,306.53			
15-Jan-06		0.00	0.00	0.00	9,032.88	16,418.42	278,114.29
15-Jul-06		0.00	0.00	0.00	9,603.02	286,418.42	284,929.69
30-Jul-06	7	283,675.42	268,094.25	15,581.17			
15-Jan-07		0.00	0.00	0.00	9,008.41	8,723.42	969.29
15-Jul-07		0.00	0.00	0.00	9,833.29	314,808.42	0.00
		\$1,985,727.94	\$1,688,385.00	\$297,342.94	\$125,535.11	\$2,111,122.47	

* After payment of the deposit due on such date.

- (1) This number is CCMI's bid and will not change.
- (2) This Amortization is provided for internal comparison purposes only.
- (3) These numbers are subject to change based upon closing facts.

EXHIBIT C
to
LEASE PURCHASE AGREEMENT

STATEMENT OF ESSENTIAL USE

This confirms and affirms that the Aircraft acquired pursuant to the Lease is essential to the function of services provided to the citizens of the Lessee.

Further, the Lessee has an immediate need for, and expects to make immediate use of, the Aircraft, which need is not temporary or expected to diminish in the foreseeable future. The Aircraft will be used by the Lessee only for the purpose of performing one or more of its governmental or proprietary functions consistent with the permissible scope of the Lessee's authority.

**STATE OF UTAH, acting by and through its
DIVISION OF AERONAUTICS**

By: *Robert P. Barrett*
Robert Barrett
Director

EXHIBIT D
to
LEASE PURCHASE AGREEMENT
FORM OF DISBURSEMENT REQUEST

PAYMENT REQUEST NO.: _____

RE: Lease Purchase Agreement, dated as of August 7, 2000 (the "Lease"), between the **State of Utah, acting by and through its Division of Aeronautics** (the "Lessee"), and **Carlyle Capital Markets Inc.** (the "Lessor"). Unless otherwise defined herein, all terms shall have the meaning ascribed thereto by the Lease.

1. The undersigned hereby certifies that:
 - (a) This Request for Disbursement is in accordance with the Lease and is either (check one of the following):
 - () for payment to the Vendor in an amount of \$1,688,385, as final payment for the Aircraft, which has been accepted as stated in the Acceptance Certificate attached hereto as Attachment "B"; or
 - () for payment of a reimbursement to the Lessee for the Aircraft as described on Attachment "A" hereto, which Aircraft has been accepted as stated in the Acceptance Certificate attached hereto as Attachment "B", and payment remitted to the vendor (evidence of such payment is attached hereto); or
 - () the Aircraft has not been finally accepted; and, the disbursement is in payment of a progress payment authorized under the Lease; or
 - () the amount requested for payment is for reimbursement for a progress payment for a portion of the Aircraft.
 - (b) The amount to be disbursed on this Request for Disbursement has not formed the basis of a previous request for payment and is due and owing.

(c) The following is a breakdown of the disbursements under the Lease:

- | | | |
|-----|---|----------|
| (1) | Aggregate of all disbursements previously requested | \$ _____ |
| (2) | Amount of disbursement herein requested | \$ _____ |
| (3) | Aggregate of all disbursements including this request | \$ _____ |

2. Attached to this Request for Disbursement are the following (check each item attached) each of which is true and correct in all respects.

- () a copy of the invoice;
- () a copy of the applicable purchase order and any change order issued in connection with the applicable purchase order;
- () a copy of the bill of sale for each item for which a bill of sale may be delivered;
- () a copy of any Certificate of Insurance or statement of self-insurance required under the Lease;
- () if payment is to be made to the Lessee in reimbursement of funds previously expended, a copy of any declaration of intent to reimburse, reimbursement resolution, or evidence of other official action indicating the Lessee's intention to reimburse its funds from the proceeds of tax-exempt obligations.

3. Please disburse the following amount to the following Payee:

Payee: _____

Amount: _____

Address: _____

Invoice

No(s): _____

EXECUTED as of _____.

**STATE OF UTAH, acting by and through its
DIVISION OF AERONAUTICS**

By: _____

Name: _____

Title: _____

Attachment "A"

One (1) new Raytheon Aircraft Company B200 aircraft, bearing Serial Number BB-1722 and United States Registration Number N773TP, together with two (2) Pratt and Whitney PT6A-42 engines bearing serial numbers PCEPJ0421 and PCEPJ0418 (collectively, the "Aircraft") (each of which engines has 750 or more rated takeoff horsepower or the equivalent thereof); value (list price) of \$4,245,768; less trade-in value of State's existing B200 aircraft, for total amount of Aircraft Costs of \$1,688,385, and having the specifications identified on the following pages to this Attachment A.

2000 King Air B200

BB1722. N773TP

Specifications

Raytheon Aircraft

Avionics Two Tube Single Processor System

Collins Pro Line II

COMM 1 - Collins VHF-22A-011 (Extended Range To 136.975 MHz With 25 KHz Increments)

Transceiver With CTL-22 Control And Antenna

COMM 2 - Collins VHF-22A-011 (Extended Range To 136.975 MHz With 25 KHz Increments)

Transceiver With CTL-22 Control And Antenna

NAV 1 - Collins VIR-32 VOR/LOC/GLS/MKR

Receiver With EHSD-84 Indicator And CTL-32

Control And NAV And Glideslope Antenna

NAV 2 - Collins VIR-32 VOR/LOC/GLS/MKR

Receiver With 331A-3G Indicator And CTL-32

Control, Connected To NAV And Glideslope Antenna

ADF - Collins ADF-60A With CTL-62 Control And ANT-60A Antenna

Transponders - Dual Collins TDR-94's With Single CTL-92 Control And Dual Antennas

Transponder ATC Ident Button On Pilot's And Copilot's Control wheels

DME - Dual Collins DME-42's With Dual IND-42A Indicators And Dual Antennas

No. 1 DME Channel: NAV 1 Active/NAV 1

Preselect/DME Hold Switching

No. 2 DME Channel: NAV 2 Active/NAV 2

Preselect/DME Hold Switching

RMI - Dual Collins RMI-30's With NAV 1/ADF On Single Needle And NAV 2/ADF On Double Needle

No. 1 RMI Card From No. 2 MCS-65

No. 2 RMI Card From No. 1 MCS-65

Compass 1 - Collins MCS-65 System Drives Pilot's EHSD-84 And Copilot's RMI

Compass 2 - Collins MCS-65 System Drives Copilot's 331A-3G And Pilot's RMI

Inverters - Dual KGS SPC-60A, 600VA With Failure Light

Pilot's Encoding Altimeter/Altitude Alerter - Collins ALI-80A Counter Pointer Encoding Altimeter With PRE-80C Altitude Alerter And Preselector

*Copilot's Aerosonic Encoding Counter - Pointer Altimeter 101450-11952 (Inches)

Audio - Dual DB Systems Model 438 With Omni Range Filters, ADF Voice/Range Filter, Dual Audio Switches And Auto COMM Switches

Marker Beacons - Dual Included In VIR-32's With Dual Lights And Antenna

CVR - L3 Communications A100S Cockpit Voice Recorder

Glideslopes - Dual Included In VIR-32's And With Antenna

Autopilot / Flight Director - Collins APS-65H

Autopilot With EFIS-84, Two Tube Single

Processor, Four Inch Flight Director System

Includes EADI-84 Horizon Indicator, EHSD-84

Course Indicator, DSP-84 Remote Heading/Course/

Display Control, DPU-84 Display Processor, ADC -

85 Air Data Computer, APP-65 And FCP-65

Autopilot Controls, Altitude Hold, Climb/Descent

Mode, Altitude Preselect, Vertical Speed Hold,

Indicated Airspeed Hold, Yaw Damper, Manual

Electric Trim

Weather Radar - Collins WXR-270 Weather Radar With IND-270A Indicator 12" Antenna

Radar Altimeter - Collins ALT-55B With ALI-55 Indicator And Dual Antennas

Pilot's Horizon Indicator - EADI-84

Pilot's Course Indicator - EHSD-84

Pilot's And Copilot's Turn And Bank Indicators- 2" Electric

Copilot's Horizon Indicator - 3" Air

Copilot's Directional Indicator- 331A-3G (HSI)

*Radio Telephone - Provisions Only

Cabin Paging - Flight Deck To Cabin Paging With Four Cabin Speakers

Ground COMM Switch Tied To COMM 1 And Pilot's And Copilot's Audio

Dual Hand Held Microphones

Microphone Key Button On Pilot's And Copilot's Control Wheels

Static Wicks

Emergency Locator Transmitter With Flight Deck Switch

Sectional Instrument Panel (Back Mounted Instruments)

White Lighting

Avionics Master Switch

Edgelite Radio And Control Panel

Engines And Propellers

Pratt And Whitney PT6A-42 Reverse Flow, Free Turbine Engines Rated At 850 Shaft Horsepower Each
Hartzell Four Blade, Aluminum Alloy, 94" Diameter, Dynamically Balanced, Constant Speed Propeller With Polished Spinners
Automatic Feathering System And Type 11 Syncrophaser
Dynamic Propeller Balance Test Plug
Fuel Crossfeed System
Engine Driven Fuel Pumps
Engine Driven Fuel Boost Pumps
Submerged Electric Standby Fuel Boost Pumps
Jet Type Fuel Transfer Pumps
Fuel Control Units
Auto Ignition System
Primary Propeller Governors
Overspeed Propeller Governors
Fuel Topping Governors
Automatic Fuel Heater System
Bleed Air Vacuum System
Magnetic Chip Detector
EPA Fuel Purge System
Engine Anti-Icing System
Exhaust Heated Engine Inlet
Engine Fire Detection System
Engine Over Torque Limiters
Low Fuel Quantity Warning System

Landing Gear And Brakes

Tricycle Type With Electro-Hydraulic Extension And Retraction System
Steerable Nose Landing Gear With Shimmy Damper And Beech Oil-Air Struts
Individual Down Locks On Landing Gear
Dual Main Wheel Tires (Each Gear)
Main Landing Gear Tires (Tubeless) - 5.5 x 18
Nose Landing Gear Tire (Tubeless) - 6.75 x 22
*Brake Deice (Bleed Air Heat)
Multiple Disc Brakes On Each Main Landing Gear
Forged Steel Nose Landing Gear Fork
Auxiliary Landing Gear Extension Control
Landing Gear Warning System With Manual Override And Automatic Reset
Landing Gear Control Switch Handle, Warning Lights And Horn

Systems And Controls

Conventional Dual Column, Three Axis Control System With Adjustable Pilot's (Left Side) And Copilot's (Right Side) Rudder Pedals
Individual Toe Operated Pilot's And Copilot's Brakes
Parking Brake With Hand Control
Oxygen System - 77 Cubic Foot, Complete With Ten Automatic Deployment Masks And One First Aid Mask
Anti-Ice Equipment; Including Primary And Secondary Heated Windshields, Stall Warning Mounting Plate And Vane And An Electrically Heated Jacket On Fuel Control Lines
Pneumatic Surface Deice System On Leading Edges Of Wings And Horizontal Stabilizer
Electro-Thermal Propeller Deice System
Heated Stall Warning System With Preflight Self Test System
Heated Stall Warning Vane
Electronic Stall Warning Horn
Adjustable Aileron, Rudder, And Dual Elevator Trim Tabs
Pedestal Mounted Power Propeller And Condition Levers
Rudder Boost System
Electrically Actuated Three Position Fowler Type Flap Controls
Dual Electric Ice Vane Actuators
Three Position Flap Select Switch
Aileron Cable Tension Regulator
Automatic Fuel Transfer System
Dual Heated Fuel Vents
Dual Heated Pitot Tubes - Nose Mounted
Dual Static Air Ports On Both Sides Of Fuselage
Capacitance Type, Temperature Compensating, Fuel Gauging System
Dual Bleed Air Pressurization
Engine Instruments
Two Interstage Turbine Temperature Indicators
Two Torque Indicators
Two Gas Generator RPM Indicators
Two Propeller RPM Indicators
Two Fuel Flow Indicators
Two Oil Pressure/Oil Temperature Indicators
Two Fuel Quantity Indicators
Propeller Synchroscope

Two D.C. Load Meters

Flight Deck Instruments

Copilot's Gyro Horizon Indicator (Air)

Two Airspeed Indicators

Two Sensitive Altimeters

Two Turn And Slip Indicators (Electric)

Two Instantaneous Vertical Speed Indicators

Standby Magnetic Compass

Digital Outside Air Temperature Indicator

Pilot's Control Wheel LCD Digital Chronometer
Clock

Copilot's Control Wheel Analog Twenty -Four Hour
Clock

Electronic Flight Director Indicator

Pilot's Electronic Horizontal Situation Indicator

Vacuum Gauge,

Deice Pressure Gauge

Flap Position Indicator

Cabin Rate Of Climb Indicator

Cabin Altitude And Differential Pressure Indicator

Oxygen Pressure Indicator

Flight Hour Recorder

Electrical 28 Volt DC System

Two Engine Starters/Generators (250 Ampere - 28
Volt)

Dual Split Bus System

Maintenance Free Lead Acid Battery

Solid State Generator Controllers

External Power Receptacle With Flight Deck
Annunciation

Automatic Solid State Master Warning And
Annunciator Control Panel System With Self Test
And Dimmer Switch

A.C. Volt/Frequency Meter

Propeller Anti-Ice Ammeter

Electrical Circuit Protection

Internal Lights

Internally Lighted Flight And Engine Instruments

Electroluminescent Subpanel Lighting

Instrument Panel Floodlighting In Glareshield

Annunciator Light Panel In Glareshield

Landing Gear Extended Position Lights

Pilot's And Copilot's Control Wheel Map Lights

Adjustable Reading Lights Above All Passenger
Chairs

Baggage Compartment Lights

Rheostat Controlled Blue White Flight Deck Lighting
With Master Switch

Aisle Courtesy Lights

Entrance Door Step Lights

External Lights

Taxi Light And Two Landing Lights On Nose Landing
Gear

Entrance Door Area Illumination Light

Wing Tips And Tail Navigation Lights

Dual White Flashing Beacons On Vertical Tail And
Belly

Two Wing Leading Edge Ice Lights

Vertical Tail Illumination Lights (Logo)

Recognition Lights - Wing Tips

Wing Tips And Tail Strobe Lights

Cabin

No Smoking Configuration

Fresh Air Outlets For All Occupants

Eleven Cabin Windows With Adjustable Polarized
Windows

"Quiet Cabin" Package With Thirty Two

Electronically Tuned Dynamic Vibration Absorbers

Dual Bleed Air Type Heating System With Separate
32,000 BTU Vapor Cycle (R134a) Cooling System,
And High Capacity Ventilation Blower

Supplemental Electric Cabin Heating System

"No Smoking - Fasten Seat Belt" Signs With Audible
Chime

Plug Type Emergency Exit

Cabin Coat Cables With Hangers

Airstair Door With Folding Steps And Hydraulic
Snubber

Cabin Fire Extinguisher (Halon)**

Cupholder For Each Cabin Chair

Forward Partition With Sliding Panels Separating
Flight Deck From Cabin

Aft Partition With Sliding Panels Separating Cabin
From Lavatory

Seats, Cabinetry

Interior Cabinetry Including Partitions, Tables,
Magazine Racks, Chart Cases etc. Built With Light
Weight Composite Material

*Two Cockpit Chair Sheepskin Covers

Two Three Way Adjustable Flight Deck Chairs,
Includes Adjustable Tilt, Fore And Aft Travel and

Vertical Adjustment With Shoulder Harness
 Restraint System

*Six Lateral Tracking Cabin Chairs

One Cabin Chair, Forward Left Side Aft Facing Fully
 Adjustable With Integrated Headrest, Inertia Reel
 Shoulder Harnesses With Matching Lap Belts And
 Retractable Inboard Armrests

*One Cabin Chair, Forward Right Side Aft Facing
 Fully Adjustable With Integrated Headrest,
 Inertia Reel Shoulder Harnesses With Matching
 Lap Belts, Retractable Inboard Armrests

Four Cabin Chairs, In Aft Club Arrangement, Fully
 Adjustable With Integrated Headrest, Inertia Reel
 Shoulder Harnesses With Matching Lap Belts And
 Retractable Inboard Armrests

Private Lavatory With Flushing Toilet, Mirror, Relief
 Tube Seat Belt, And Padded Partition

*Quickly Removable Fold-Up Seat, Aft
 Compartment Left Side And Right Side Includes:
 Air, Light And Oxygen Outlets, Fore And Aft
 Baggage Webbing, Armrest, Additional Coat
 Hanger Cable On Right Side, And Aft Baggage
 Curtain For Toilet Privacy

Upright Pyramid Cabinet; Forward Left Side, 200-83-
 8000 - With Water Tank, One Gallon Heated Liquid
 Container, Two Cup Dispensers With Overboard
 Drain, Pullout Work Surface, Three General Storage
 Drawers, And Double Ice Chest Drawer On Bottom
 (Four Drawers Total)

*Narrow Pyramid Cabinet Forward Right Side
 200-80-8000

Cabin Table, Center Club Arrangement Left Side With
 Leather Table Top Inserts And Rack And Gear Table
 Mechanism

Cabin Table, Center Club Arrangement Right Side
 With Leather Table Top Inserts And Rack And Gear
 Table Mechanism

Narrow Pyramid Cabinet; Aft Left Side 200-80-
 8000 Includes: Two General Storage Drawers
 And Large Ice Chest Drawer On Bottom

Magazine Rack, Aft Right Side

Flight Deck

Fresh Air Outlets

Dual Electrically Heated, Individually Controlled,
 Safety Plate Glass Windshields

Windshield Defroster

Windshield Wipers

Low Profile Glareshield

Pilot And Copilot's Openable Flight Deck Side
 Windows

Dual Adjustable Sun Visors

Overhead Mounted Diluter Demand Oxygen Masks
 With Internal Microphones And Puritan-Bennet
 Comfort Control Harness

Flight Deck Fire Extinguisher(Halon)**

Dual Flight Deck Speakers

Cupholders

Pilot And Copilot's Sidewall Storage Pockets

Pilot And Copilot's Approach Plate/Chart Case, Two
 Compartments Each

Copilot's Underseat Chart Case, One Book

Manual Holders On Pilot And Copilot's Partition

Loose Equipment

Extra Center Aisle Carpet (Aft Of Spar), Not Intended
 As A Runner

Two Portable Noise Canceling Bose® Aviation
 Headset X, Control Module Requires One 9 Volt
 Alkaline Battery (Provided)

Tow Bar

Pitot Covers

Gust Lock Assembly

Flight Bag

Aircraft Log Book

Engine Log Books

Propeller Log Books

Propeller Restraints

Engine Inlet Plugs

Bleed Air Plugs

Service Information Materials

Maintenance Log Folder

Avionics Wiring Diagrams And Avionics Pilot Guides

Passenger Briefing Cards

Screwdriver

Pilot's Checklist

Pilot's Operating Handbook And FAA Approved
 Airplane Plight Manual

Cigarette Lighter

Touch-Up Paint Kit

Coat Hangers

Microfiche Viewer And Microfiche Maintenance
 Manuals

Additional Features

FAR 135 Operational Configuration- Does Not Include

Emergency Equipment For Over Water Flight Or A
Flashlight

Exterior High Solids Urethane Paint

Complete Internal Polyamide Epoxy Corrosion
Proofing

Electric Ground Heater

Nose Avionics Compartment Moisture Barrier

Forward Avionics Compartment Access Doors With
Cam-Lock Fasteners And Key Locks

Aft Fuselage Maintenance Access Door With Cam-
Lock Fasteners And Key Lock

Anti-Siphon Fuel Filler Valves

Quick Release Second Cabin Door Support Cable

External Oxygen Filler Ports And Pressure Gauge

Training Entitlement

Two Pilot's, Five Day Course

One Maintenance Technician Ten Day Course
(Expires One Year After Delivery)

Minimum Prerequisites - Private Pilot Airplane
License; Multiple Engine Land License

Preferred Prerequisite - Instrument Rating

General Warranty

Raytheon Aircraft Company Manufactured Parts - Five
Years (No Hours Limit)

Systems And Components - Two Years (No Hours
Limit)

Collins Avionics - Five Years (No Hours Limit)

Pratt And Whitney Engines - Five Years Or 2,500
Hours (Whichever Occurs First, Balance Of
Remaining Engine Hours At Time Of Delivery)

****WARNING--Contains Halon Substance Which
Harms Public Health And Environment By
Destroying Ozone In The Upper Atmosphere**

Interior

Headliner & Window Panels	Beechknit
Inset Panels	*Arbor Cristallo Fabric
Rails	Forest Leather
Sidewall Armrests	Forest Leather
Flight Deck Sidewalls	Sesame Leather
Cabin Sidewalls	Sesame Leather
Floor Covering	Mocha Velvet
Laminate	Windsor Mahogany Gloss
Aft Pad	Forest Leather
Chairs - Cushions, Boxing, Back, Base Cushion, Pairings	Forest Leather
Chairs - Belt/Harness	Black
Instrument Panel	Castle Tan

Exterior Paint Scheme

#1 Color (Overall)	Matterhorn White
#2 Color (Stripe)	Jade Mist Green
#3 Color (Stripe)	Jade Mist Green
#4 Color (Accent Stripe)	Gold Metallic
Registration Number	Slanted In Jade Mist Green, Shaded In Gold Metallic, And Located On Fuselage

Total Price As Equipped **\$4,269,153.00**

Attachment "B"

Form of Acceptance Certificate

DATE: _____, 2000

RE: Lease Purchase Agreement, dated as of August 7, 2000 (the "Lease"), between the **State of Utah, acting by and through its Division of Aeronautics** (the "Lessee"), and **Carlyle Capital Markets Inc.** (the "Lessor"). Unless otherwise defined herein, all terms shall have the meaning ascribed thereto by the Lease

Ladies and Gentlemen:

Please refer to the above-described Lease. In accordance with the terms of the Lease, the Lessee hereby certifies and represents to, and agrees with, the Lessor as follows:

A. The Accepted Property described on the preceding Attachment A hereto has been delivered to the Lessee and such delivery has been completed on or before the date hereof.

B. The Lessee has conducted such inspection and/or testing of the Accepted Property as it deems necessary and appropriate and hereby acknowledges that it accepts the Accepted Property for all purposes effective the date hereof.

C. No Event of Default, as such term is defined in the Lease, and, to the best of my knowledge, no event which with notice or lapse of time, or both, would become an Event of Default, has occurred and is continuing at the date hereof.

D. The Accepted Property described on the preceding Attachment A hereto is covered against all risks pursuant to the policy of the insurance evidenced by the certificate of insurance attached hereto or is insured pursuant to a program of self insurance as required by the Lease.

Yours truly,

**STATE OF UTAH, acting by and through its
DIVISION OF AERONAUTICS**

By: _____
Name: _____
Title: _____

**EXHIBIT E
TO
LEASE PURCHASE AGREEMENT**

Sample Form of Opinion of Counsel to the Lessee

August 7, 2000

Carlyle Capital Markets, Inc.
14755 Preston Road, Suite 424
Dallas, Texas 75240

First Tennessee Bank National Association,
as Trustee
4385 Poplar Avenue
Memphis, Tennessee 38117

Re: Lease Purchase Agreement, dated as of August 7, 2000 (the "Lease"), between the State of Utah, acting by and through its Division of Aeronautics (the "Lessee"), and Carlyle Capital Markets Inc. (the "Lessor")

Ladies and Gentlemen:

I have acted as Counsel to the Lessee with respect to the execution and delivery of the above-described Lease. Unless otherwise defined herein, all terms having a defined meaning in the Lease shall have the same meaning when used herein. I have reviewed the Lease and such other documents, records and certificates of Lessee (collectively, the "Lease Documents") as I have deemed relevant and are of the opinion that:

1. Lessee is a sovereign State of the United States of America as defined in section 103(c) of the Internal Revenue Code of 1986, as amended, with the full power and authority to enter into and deliver, and to perform all obligations of the Lessee under the Lease Documents.
2. The execution, delivery and performance by the Lessee of the Lease Documents have been duly authorized by all necessary action on the part of the Lessee.
3. The Lease Documents each constitute a legal, valid, and binding obligation of the Lessee enforceable in accordance with their respective terms.
4. The entering into and performance of the Lease Documents will not violate any judgment, order, law or regulation applicable to the Lessee or result in any breach of, or constitute a default under, or result in the creation of any lien, charge, security interest or other encumbrance upon the Aircraft pursuant to any indenture, mortgage, deed of trust, bank loan, credit agreement, or other instrument by which the Lessee is a party or by which it or its assets may be bound.

5. There are no actions, suits or proceedings pending or, to the knowledge of the Lessee, threatened against or affecting the Lessee in any court or before any governmental commission, board or authority, which, if adversely determined, will have a material, adverse effect on the ability of the Lessee to perform its obligations under the Lease Documents.
6. No governmental orders, permissions, consents, approvals or authorizations are required to be obtained and no registrations or declarations are required to be filed in connection with the execution and delivery of the Lease Documents or the acquisition of the Aircraft.
7. The Lessee has observed and complied with all public bidding procedures regarding the award of the transaction contemplated in the Lease Documents.
8. The Lease Documents are in accordance with and do not violate the usury statutes of the State.

The opinion expressed herein may be relied upon by the Lessor, the Lessor's special tax counsel, and any subsequent assignee of the Lessor's interest in the Lease Documents.

Very truly yours,

**EXHIBIT F
TO
LEASE PURCHASE AGREEMENT**

FORM OF CLOSING CERTIFICATE OF THE LESSEE

I, the undersigned, do hereby certify that I am a duly elected or appointed and authorized officer of the State of Utah, acting by and through its Division of Aeronautics (the "Lessee"), that I hold the office set forth below my signature, and that I am hereby executing and delivering this certificate for the benefit of all persons interested in that certain Lease Purchase Agreement (the "Lease"), dated as of August 7, 2000, by and between Carlyle Capital Markets Inc., a corporation duly organized and existing under the laws of the State of Texas, as lessor (the "Lessor"), and the Lessee, as lessee. The Lease and all other documents, certificates, or instruments executed or delivered by the Lessee in connection therewith are referred to herein collectively as the "Lease Documents." Terms defined in the Lease are used in this certificate with the same meanings as in the Lease. I do hereby further certify that:


1. I am familiar with and have personal knowledge of the matters hereinafter stated.
2. Lessee is a sovereign State of the United States of America as defined in section 103(c) of the Internal Revenue Code of 1986, as amended.
3. Each person signing the Lease Documents to which the Lessee is a party is a duly elected or appointed, qualified, and acting officer of the Lessee holding the office set forth below such person's signature, and each such person's signature appearing thereon is true and genuine.
4. To the best of my knowledge (i) the representations and warranties of the Lessee in the Lease Documents are true and correct on and as of the date hereof as though made on and as of the date hereof; (ii) the Lessee has complied with all terms on its part to be performed or satisfied by it under the Lease Documents at or prior to the date hereof; and (iii) the Lease Documents remain in full force and effect and no default or breach, or other event that, with the giving of notice or the passage of time or both, would become a default or breach, has occurred thereunder.
5. Each of the Lease Documents has been duly executed and delivered by or on behalf of the Lessee and constitutes a legal, valid, and binding obligation of the Lessee enforceable in accordance with its terms.
6. Except as have been obtained and are in full force and effect as of the date hereof, no governmental orders, permissions, consents, approvals or authorizations are required to be obtained and no registrations or declarations are required to be filed

in connection with the execution and delivery by the Lessee of the Lease Documents or the acquisition of the Aircraft.

7. The Lessee has taken all actions necessary to appropriate or otherwise provide for all amounts required to be paid under the Lease Documents during the Lessee's current fiscal period ending June 30, 2001, and Lessee has or expects to have sufficient unexhausted funds to make such payments as the same become due.
8. The Lessee has observed and complied with all public bidding procedures regarding the award of the transaction contemplated in the Lease Documents.
9. To the best of my knowledge, no litigation is pending or threatened in any court to restrain or enjoin the execution or delivery of the Lease Documents or the payment of the Lease Payments, or in any way contesting or affecting the validity of the Lease Documents, or contesting the powers of the Lessee or contesting the authorization of the Lease Documents or which, if adversely determined, will have a material, adverse effect on the ability of the Lessee to perform its obligations under the Lease Documents.
10. The Aircraft will be used by the Lessee only for the purpose of performing one or more of its governmental functions consistent with the permissible scope of its authority. The Aircraft will not be leased to or operated by any person in connection with a non-governmental trade or business.
11. The Lessee will prepare or cause to be prepared and will file or cause to be filed a Form 8038-G in the manner and within the time provided by section 149(e) of the Internal Revenue Code of 1986, as amended.
12. The Federal Taxpayer Identification number of the Lessee is 87-6000545.

EXECUTED as of August 7, 2000.

**STATE OF UTAH, acting by and through its
DIVISION OF AERONAUTICS**

By: 
Robert Barrett
Director

CONSENT TO AND ACKNOWLEDGMENT OF ASSIGNMENT

As of August 7, 2000


Ladies and Gentlemen:

THE STATE OF UTAH, acting by and through its DIVISION OF AERONAUTICS (the "State"), hereby acknowledges that (i) for the purpose of meeting its obligations under that certain Lease Purchase Agreement (the "Lease"), CCMI No. 00.3516EQ, dated as of August 7, 2000, made and entered into by and between the State, as the Lessee, and **CARLYLE CAPITAL MARKETS INC.**, a corporation duly organized and existing under the laws of the State of Texas, as the Lessor ("CCMI"), and to make available to the State the moneys required to pay a portion of the costs of acquiring a certain aircraft (the "Aircraft") leased thereunder, (a) CCMI has assigned all of its rights, titles and interests in and to the Lease, but not its obligations thereunder, including without limitation the right to receive all Lease Payments thereunder, to **First Tennessee Bank National Association** (the "Bank"), pursuant to that certain Absolute Assignment Agreement dated as of even date herewith, entered into by and between CCMI, as the Assignor, and the Bank, as the Assignee, and (b) pursuant to that certain Trust Agreement (the "Trust Agreement"), dated as of August 7, 2000, made and entered into between the Bank, as the Trustee, and CCMI, as the Trustor, the Bank will execute and deliver those certain Privately-Placed Certificates of Participation in the aggregate principal amount of \$1,701,085 (the "Certificates"), and (ii) the State will remit all Lease Payments to the Bank, as Trustee, at the address described below:

First Tennessee Bank National Association
4385 Poplar Avenue
Memphis, Tennessee 38117
Attn.: Dennis D. Gillespie, Vice President
Telephone: (901) 681-2462

ACKNOWLEDGED as of the date first set forth above:

**STATE OF UTAH, acting by and through its
Division of Aeronautics**

By: 
Robert Barrett
Director

As of August 7, 2000

Carlyle Capital Markets Inc.
14755 Preston Road, Suite 424
Dallas, Texas 75240

Re: Lease Purchase Agreement, CCMI No. 00.3516EQ (the "Lease"), dated as of August 7, 2000, by and between the **State of Utah, acting by and through its Division of Aeronautics**, as lessee, and **Carlyle Capital Markets**, as lessor

Ladies and Gentlemen:

Outlined below is the invoicing procedure we have elected in connection with above-referenced Lease:


- A. Number of invoice copies required: **2**
- B. Submit invoices to:

State of Utah
Division of Aeronautics
135 North 2400 West
Salt Lake City, Utah 84116
Attention: Director
- C. Information required on invoice for identification purposes:

2000 Beechcraft Super King Air B200 Aircraft
CCMI No. 00.3516EQ
- D. For internal processing, receipt of invoice at least thirty (30) days prior to payment date is required.

Sincerely,

STATE OF UTAH, acting by and through its Division of Aeronautics

By: 
Robert Barrett
Director

STATE OF UTAH
OFFICE OF THE ATTORNEY GENERAL



JAN GRAHAM
ATTORNEY GENERAL

JAMES R. SOPER
Solicitor General

WILLIAM T. EVANS
Chief of Staff

REED RICHARDS
Chief Deputy Attorney General

August 7, 2000

Carlyle Capital Markets, Inc.
14755 Preston Road, Suite 424
Dallas, Texas 75240

First Tennessee Bank National Association, as Trustee
4385 Poplar Avenue
Memphis, Tennessee 38117

Re: Lease Purchase Agreement, dated as of August 7, 2000 (the "Lease"), between the State of Utah, acting by and through its Division of Aeronautics (the "Lessee"), and Carlyle Capital Markets Inc. (the "Lessor")

Ladies and Gentlemen:

I have acted as Counsel to the Lessee with respect to the execution and delivery of the above-described Lease. Unless otherwise defined herein, all terms having a defined meaning in the Lease shall have the same meaning when used herein. I have reviewed the Lease and such other documents, records and certificates of Lessee (collectively, the "Lease Documents") as I have deemed relevant and are of the opinion that:

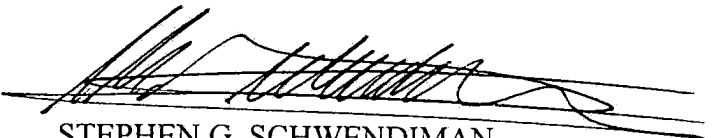
1. Lessee is a sovereign State of the United States of America as defined in section 103(c) of the Internal Revenue Code of 1986, as amended, with the full power and authority to enter into and deliver, and to perform all obligations of the Lessee under the Lease Documents.
2. The execution, delivery and performance by the Lessee of the Lease Documents have been duly authorized by all necessary action on the part of the Lessee.
3. The Lease Documents each constitute a legal, valid, and binding obligation of the Lessee enforceable in accordance with their respective terms.

Carlyle Capital Markets, Inc.
First Tennessee Bank National Association
August 7, 2000
Page Two

4. The entering into and performance of the Lease Documents will not violate any judgment, order, law or regulation applicable to the Lessee or result in any breach of, or constitute a default under, or result in the creation of any lien, charge, security interest or other encumbrance upon the Aircraft pursuant to any indenture, mortgage, deed of trust, bank loan, credit agreement, or other instrument by which the Lessee is a party or by which it or its assets may be bound.
5. There are no actions, suits or proceedings pending or, to the knowledge of the Lessee, threatened against or affecting the Lessee in any court or before any governmental commission, board or authority, which, if adversely determined, will have a material, adverse effect on the ability of the Lessee to perform its obligations under the Lease Documents.
6. No governmental orders, permissions, consents, approvals or authorizations are required to be obtained and no registrations or declarations are required to be filed in connection with the execution and delivery of the Lease Documents or the acquisition of the Aircraft.
7. The Lessee has observed and complied with all public bidding procedures regarding the award of the transaction contemplated in the Lease Documents.
8. The Lease Documents are in accordance with and do not violate the usury statutes of the State.

The opinion expressed herein may be relied upon by the Lessor, the Lessor's special tax counsel, and any subsequent assignee of the Lessor's interest in the Lease Documents.

Sincerely,

A handwritten signature in black ink, appearing to read "Stephen G. Schwendiman", written over a horizontal line.

STEPHEN G. SCHWENDIMAN
Assistant Attorney General

cc: Douglas G. Richins
Gary Blackwelder ✓

**EXHIBIT G
TO
LEASE PURCHASE AGREEMENT**

FORM OF TAX AND ARBITRAGE CERTIFICATE

I, the undersigned, do hereby certify that I am the duly elected or appointed and an authorized official of the **State of Utah, acting by and through its Division of Aeronautics** (the "Lessee"), and that in my official capacity as such officer, I am familiar with the execution and delivery of that certain Lease Purchase Agreement (the "Lease") dated as of August 7, 2000, by and between **Carlyle Capital Markets Inc.**, a corporation duly organized and existing under the laws of the State of Texas (the "Lessor") and the Lessee. This Certificate is being issued pursuant to section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and Treasury Regulations promulgated thereunder (the "Regulations"). Defined terms contained herein shall have the same meaning as in the Lease. The following facts, estimates and circumstances are in existence on the date of this Certificate or are reasonably expected to occur hereafter.

1. Under the Lease, the Lessor will lease the Aircraft to the Lessee and the Lessee is required to lease the Aircraft from the Lessor by making Lease Payments, comprised of both principal and interest, on the dates and in the amounts set forth in **Exhibit B** to the Lease, subject to the terms and conditions thereof.
2. For the purpose of meeting its obligations under the Lease and to make available to the Lessee the moneys required to acquire the Aircraft, the Lessor has advised the Lessee that the Lessor will cause to be executed and delivered pursuant to that certain Trust Agreement, dated as of August 7, 2000, by and between the Lessor, as trustor, and **First Tennessee National Bank Association**, as Trustee, one Privately-Placed Certificate of Participation (the "Certificates"). The Lessor will assign all of its rights under the Lease and to the security interest in the Aircraft to the Trustee pursuant to an Absolute Assignment Agreement between Lessor, as assignor, and the Trustee, as assignee.
3. With respect to the Certificates and the proceeds thereof, the Lessor has advised the Lessee that:
 - (a) The net amount of proceeds (the "Net Proceeds") received by the Trustee as a result of the delivery of the Lease and the sale of the Certificates will be \$1,701,085 (principal amount of \$1,701,085, plus premium of \$-0-, less a discount of \$-0-, plus accrued interest of \$-0-, less underwriter's discount of \$-0-). An amount of the Net Proceeds equal to \$-0- was paid to broker/dealers as concessions in connection with the sale of the Certificates.

- (b) An amount of the Net Proceeds equal to \$12,700 will be disbursed from the Settlement Fund to CCMI on the closing date for payment of certain costs associated with the execution and delivery of the Certificates.
- (c) Of the remaining Net Proceeds, the amount of (i) \$1,688,385 will be deposited to the Acquisition Fund and invested until disbursed to pay the costs of the Aircraft or reimbursed to the Lessee, as described in the Lease, which is expected to occur on or before December 31, 2000, and (ii) \$-0- will be deposited in the Certificate Payment Fund and used to pay a portion of the first Distribution to the owners of the Certificates.

The Lessee reasonably expects that the following will be true with respect to amounts in the Acquisition Fund:

No later than six months following the closing date, binding obligations will be entered into with third parties obligating the expenditure at least five percent of the Net Proceeds.

The Lessee expects that the acquisition of, and allocation of Net Proceeds to expenditures for, the Aircraft will proceed with due diligence to completion.

- 4. The Aircraft has not been, and is not expected during the term of the Lease to be, sold or otherwise disposed of by the Lessee.

No portion of the Net Proceeds will be used as a substitute for other funds that otherwise were to be used as a source of financing for the Aircraft but that instead will be used to acquire, directly or indirectly, Investment Property producing a yield in excess of the yield on the Lease. The weighted average maturity of the Lease will not exceed 120 percent of the reasonably expected economic life of the Aircraft. For purposes of the preceding representations, the weighted average maturity of the Lease has been computed as the weighted average maturity of the Certificates, taking into account the issue price of each maturity of the Certificates. The yield on the Lease has been computed in accordance with the provisions of section 1.148-4 of the Income Tax Regulations, treating the issue price of the Lease as equal to the aggregate issue price of the Certificates.

- 5. Lessee expects that all of the gross proceeds of the Certificates, other than amounts held in the Certificate Payment Fund established pursuant to the Trust Agreement, will be expended within six (6) months of the date of execution and delivery of the Certificates. Notwithstanding the foregoing, the Lessee covenants to comply with the arbitrage rebate requirements of the Code, including, without limitation, section 148(f) thereof.

6. The Certificate Payment Fund will be used primarily to achieve a proper matching of revenues of the Lessee and debt service under the Lease within each year and will be depleted at least once a year except for a reasonable carryover amount not to exceed the greater of (i) one year's earnings on the Certificate Payment Fund or (ii) one-twelfth of annual debt service under the Lease. The Lessee acknowledges that certain amounts in the Certificate Payment Fund will be invested in an investment contract, and that the Lessor and the Investment Agreement Provider have made certain representations with respect thereto, as evidenced by the certificates attached hereto as Attachments A and B, respectively.
7. Except for the Settlement Fund, the Certificate Payment Fund and the Acquisition Fund, which have been established by the Trustee pursuant to the Trust Agreement, the Lessee has not created or established or caused to be created or established and is not aware of the creation or establishment on its behalf of, and will not create or establish, any sinking fund or other similar fund with respect to the Lease or the Certificates. No portion of the amounts received from the delivery of the Lease and the Certificates will be used as a substitute for other funds which were otherwise to be used as a source of financing for the acquisition of the Aircraft, and which have been or will be used to acquire, directly or indirectly, obligations producing a yield in excess of the yield on the Lease.

The Lessee covenants not to invest or permit the investment of five percent or more of the Net Proceeds in federally insured deposits or accounts or otherwise invest such amounts in any obligation the payment of principal or interest on which is (in whole or in part) a direct obligation of or guaranteed by the United States (or any agency or instrumentality thereof). Notwithstanding the foregoing, Net Proceeds may be invested in any investment guaranteed by the following agencies of the United States: (a) the Federal Housing Administration; (b) the Veterans Administration; (c) the Federal National Mortgage Association; (d) the Federal Home Loan Mortgage Corporation; and (e) the Government National Mortgage Association. Moreover, Net Proceeds may be invested (a) during an initial temporary period until such proceeds are needed for the purpose for which the Lease has been executed and delivered; (b) in a bona fide debt service fund; (c) in a reasonably required reserve or replacement fund; (d) in obligations issued by the United States Treasury; (e) in obligations issued pursuant to section 21B9d(93) of the Federal Home Loan Bank Act, as amended by Section 511(a) of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989; or (f) in a refunding escrow.

8. The Lessee covenants and represents that it shall not knowingly take or omit to take, or permit to be taken on its behalf, any actions that, if taken or omitted, would cause the interest component of the Lease Payments excludable from gross

income for federal income tax purposes. The Lessee further covenants and represents as follows:


- (a) The Aircraft will be used by the Lessee, its agents and employees, solely for the purpose of carrying out its public governmental purposes. No more than 2.5 percent of the use of the Aircraft including use pursuant to a management contract will be used in the trades or businesses of any persons or entities other than the Lessee.
- (b) The Lessee will file, or will cause to be filed, with the Internal Revenue Service Center located in Ogden, Utah, the information report with respect to the Certificates required by section 149(e) of the Code.
- (c) The Lessee covenants that it will not use the moneys in the Certificate Payment Fund, or any moneys derived, directly or indirectly, from the use or investment thereof or any other moneys on deposit in any fund or account maintained in respect of the Lease or the Certificates (whether such moneys were derived from the proceeds of the Certificates or from other sources) in a manner that would cause the Lease or any interest thereon to be treated as an "arbitrage bond" within the meaning of section 148 of the Code.

This Arbitrage and Tax Certificate sets forth the information, representations, and procedures necessary in order for Eastwick, Rose & Wright, P.A., Special Tax Counsel, to render its opinion regarding the exclusion of the interest component of Lease Payments and the interest distributable on Certificates from gross income for purposes of federal income taxation and may be amended or supplemented from time to time to maintain such exclusion only with the approval of Special Tax Counsel.

To the best of the knowledge and belief of the undersigned, the expectations of the Lessee, as set forth above, are reasonable; and there are no present facts, estimates or circumstances which would change the foregoing expectations.

WITNESS MY HAND as of August 7, 2000.

**STATE OF UTAH, acting by and through its
DIVISION OF AERONAUTICS**

By: 
Robert Barrett
Director

(Rev. May 1999)

Department of the Treasury
Internal Revenue Service

Under Internal Revenue Code section 149(e)

See separate instructions.

OMB No. 1545-0720

Caution: Use Form 8038-GC if the issue price is under \$100,000.

Reporting Authority		If Amended Return, check here <input type="checkbox"/>	
1 Issuer's name STATE OF UTAH DIVISION OF AERONAUTICS		2 Issuer's employer identification number 87 6000545	
3 Number and street (or P.O. box if mail is not delivered to street address) 135 NORTH 2400 WEST		Room/suite	4 Report number G -
5 City, town, or post office, state, and ZIP code SALT LAKE CITY, UTAH 84116		6 Date of issue AUGUST 7, 2000	
7 Name of issue PRIVATELY-PLACED CERTIFICATES OF PARTICIPATION		8 CUSIP number 917534AA7	
9 Name and title of officer or legal representative whom the IRS may call for more information GARY BLACKWELDER		10 Telephone number of officer or legal representative (801) 965-4871	


Type of Issue (check applicable box(es) and enter the issue price) See instructions and attach schedule	
11 <input type="checkbox"/> Education	11
12 <input type="checkbox"/> Health and hospital	12
13 <input type="checkbox"/> Transportation	13
14 <input type="checkbox"/> Public safety	14
15 <input type="checkbox"/> Environment (including sewage bonds)	15
16 <input type="checkbox"/> Housing	16
17 <input type="checkbox"/> Utilities	17
18 <input checked="" type="checkbox"/> Other. Describe LEASE PURCHASE OF AIRCRAFT	18 1,701,085
19 If obligations are TANs or RANs, check box <input type="checkbox"/> If obligations are BANs, check box <input type="checkbox"/>	
20 If obligations are in the form of a lease or installment sale, check box <input type="checkbox"/>	

Description of Obligations. (Complete for the entire issue for which this form is being filed.)					
	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	JULY 15, 2007	\$ 1,701,085.00	\$1,701,085.00	4.2289 years	5.70116 %

Uses of Proceeds of Bond Issue (including underwriters' discount)	
22 Proceeds used for accrued interest	22 -0-
23 Issue price of entire issue (enter amount from line 21, column (b))	23 1,701,085.00
24 Proceeds used for bond issuance costs (including underwriters' discount)	24 12,700.00
25 Proceeds used for credit enhancement	25 -0-
26 Proceeds allocated to reasonably required reserve or replacement fund	26 -0-
27 Proceeds used to currently refund prior issues	27 -0-
28 Proceeds used to advance refund prior issues	28 -0-
29 Total (add lines 24 through 28)	29 12,700.00
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30 1,688,385.00

Description of Refunded Bonds (Complete this part only for refunding bonds.)		N/A
31 Enter the remaining weighted average maturity of the bonds to be currently refunded		years
32 Enter the remaining weighted average maturity of the bonds to be advance refunded		years
33 Enter the last date on which the refunded bonds will be called		
34 Enter the date(s) the refunded bonds were issued		

Miscellaneous	
35 Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35 -0-
36a Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (see instructions)	36a -0-
b Enter the final maturity date of the guaranteed investment contract JULY 15, 2007	
37 Pooled financings: a Proceeds of this issue that are to be used to make loans to other governmental units	37a
b If this issue is a loan made from the proceeds of another tax-exempt issue, check box <input type="checkbox"/> and enter the name of the issuer and the date of the issue	
38 If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box <input type="checkbox"/>	
39 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box <input type="checkbox"/>	
40 If the issuer has identified a hedge, check box <input type="checkbox"/>	

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete.	
Please Sign Here	
	4 Aug 2000
Signature of issuer's authorized representative	Date
ROBERT BARRETT, DIRECTOR	DIVISION OF AERONAUTICS
Type or print name and title	

**EXHIBIT H
TO
LEASE PURCHASE AGREEMENT**

FORM OF TERMINATION OF AIRCRAFT LEASE

Pursuant to that certain Absolute Assignment Agreement dated as of August 7, 2000 (the "Assignment"), between Carlyle Capital Markets Inc. ("CCMI"), as assignor, and First Tennessee Bank national Association, as trustee (pursuant to the Trust Agreement, dated as of August 7, 2000 (the "Trust Agreement") with CCMI, as trustor), as assignee (the "Trustee"), CCMI has assigned all of its right, title and interest in and to that certain Lease Purchase Agreement (the "Lease"), dated as of August 7, 2000, by and between the **STATE OF UTAH, acting by and through its DIVISION OF AERONAUTICS** (the "Lessee"), as lessee, and CCMI, as the lessor, to the Trustee.

Under the Lease, the Lessee acquired through lease-purchase one (1) new Raytheon Aircraft Company B200 aircraft, Serial Number BB-1722, FAA Registration Number N773TP, together with two (2) Pratt and Whitney PT6A-42 engines bearing serial numbers PCEPJ0421 and PCEPJ0418 (each of which engines has 750 or more rated takeoff horsepower or the equivalent thereof (collectively, the "Aircraft"). The Lease with the Assignment and Deed of Trust attached was recorded by the Federal Aviation Administration on _____, 2000, and assigned FAA document number _____.

The undersigned hereby certify and acknowledge that the Lessee has deposited, or has caused to be deposited, with the Trustee funds sufficient to pay in full all obligations owed by the Lessee under the Lease. By deposit of such funds, the parties certify and acknowledge that the Lease has been terminated on _____, and that the Aircraft is no longer subject to the terms and provisions thereof. CCMI and the Trustee convey, without warranty, any retained right, title or interest in the Aircraft, if any, to the Lessee, and hereby disclaim any interest that either or both of them may have had in the Aircraft.

CARLYLE CAPITAL MARKETS INC.

**STATE OF UTAH, acting by and through
its Division of Aeronautics**

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

TRUSTEE:

FIRST TENNESSEE BANK
NATIONAL ASSOCIATION, as Trustee

By: _____
Name: _____
Title: _____